

FINANCIAL STATEMENT

2014-15

COASTAL ANDHRA POWER LIMITED

INDEPENDENT AUDITOR'S REPORT

To the members of Coastal Andhra Power Limited
Report on the Financial Statements

1. We have audited the accompanying financial statements of Coastal Andhra Power Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements – [Refer Note 5(b)].
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For Chaturvedi and Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: May 23, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: Coastal Andhra Power Limited

Referred to in Paragraph 7 of our report of even date

Page 1 of 2

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (ii) The Company does not have any inventory. Therefore the provisions of clause 3 (ii) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- (iii) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the year, the company did not undertake any activity of purchase of inventory, sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. During the year under audit, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank Of India or any other Tribunal.
- (vi) The Central Government of India pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014, ('Rules') has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company. However, the Rules are not applicable to the Company, as the Company has not started commercial operations.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities. There are no outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax or cess which has not been deposited on account of any dispute except in case of dues under Andhra Pradesh Agricultural Land (Conversion for Non Agricultural Purposes) Act, 2006 as at March 31, 2015 has not been deposited since the Company has requested for the waiver, for which details are as follows:

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT
Re: Coastal Andhra Power Limited
Referred to in Paragraph 7 of our report of even date
Page 2 of 2

Name of Statute	Nature of Dues	Amount (in Rupees)	Period to which the Amount relates	Forum where matter is pending
Andhra Pradesh Agricultural Land (Conversion for Non Agricultural Purposes) Act 2006	Conversion Fee (including Penalty)	38,676,117 2,408,193	2009-10 2010-11	Government of Andhra Pradesh (Revenue Department)

- (c) According to the information and explanations given to us, there is no outstanding amount, which is required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made thereunder.
- (viii) The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2015. The Company has incurred cash losses in the financial year ended on that date, as well as in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to debentures holders. The company has no dues to financial institutions and banks; hence, question of default in repayment does not arise.
- (x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- (xi) According to the information and explanations given to us, no term loans have been raised by the Company during the year.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 23, 2015

Coastal Andhra Power Limited
Balance Sheet as at March 31, 2015

Particulars	Note	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Equity and Liabilities			
Shareholders' Funds			
Share capital	3.1	510,000,000	510,000,000
Reserves and surplus	3.2	(204,796,030)	(101,726,060)
Non-current liabilities			
Long term borrowings	3.3	10,000,000,000	10,000,000,000
Long term provisions	3.4	333,020	222,986
Current liabilities			
Short-term borrowings	3.5	9,600,000	-
Other current liabilities	3.6	115,184,692	87,861,280
Short-term provisions	3.7	15,201	11,914
Total		10,430,336,883	10,496,370,120
Assets			
Non-current assets			
Fixed assets			
Tangible assets	3.8	2,664,285,503	2,699,236,435
Intangible assets	3.8	401,097	824,508
Capital work-in-progress	3.9	7,720,232,545	7,679,616,201
Long-term loans and advances	3.10	9,937,057	13,520,333
Current assets			
Cash and bank balances	3.11	1,685,855	2,783,683
Short term loans and advances	3.12	25,453,922	51,255,629
Other current assets	3.13	8,340,904	49,133,331
Total		10,430,336,883	10,496,370,120

The notes are an integral part of these financial statements.

Coastal Andhra Power Limited

As per our attached report of even date.

For Chaturvedi & Shah

Firm Registration No. 101720W

Chartered Accountants

For and on behalf of the Board of Directors

Vijay Napawaliya

Partner

Membership No. 109859

Mukund Dongre

Director

DIN No. : 02037231

Suresh Haribhau Joshi

Director

DIN No. : 07143407

Potnuru Nagaveni

CEO

Place: Mumbai

Date: 23.05.2015

Place: Mumbai

Date: 23.05.2015

Coastal Andhra Power Limited
Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Other income	3.14	470,870	-
Total Revenue		470,870	
Expenses:			
Employee benefits	3.15	5,692,602	6,492,386
Finance Cost	3.16	55,300,853	12,984
Depreciation/ amortization (Refer Note 14)		30,391,124	16,096,045
Other expenses	3.17	12,119,991	26,502,404
Total Expenses		103,504,570	49,103,819
Loss before tax		(103,033,700)	(49,103,819)
Tax expense:			
Income tax / (reversal) for earlier year		36,270	-
Loss for the year		(103,069,970)	(49,103,819)
Earnings / (Loss) per equity share: (face value of Rs. 10 each)			
- Basic and Diluted (Refer Note 9)		(2.02)	(0.96)

The notes are an integral part of these financial statements.

Coastal Andhra Power Limited

As per our attached report of even date.

For Chaturvedi & Shah
Firm Registration No. 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership No. 109859

Mukund Dongre
Director
DIN No. : 02037231

Suresh Haribhau Joshi
Director
DIN No. : 07143407

Potnuru Nagaveni
CFO

Place: Mumbai
Date: 23.05.2015

Place: Mumbai
Date: 23.05.2015

Coastal Andhra Power Limited
Cash Flow Statement for the year ended March 31, 2015

Particulars	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
(A) Cash Flow from/(used in) Operating Activities		
Net Profit/(Loss) before tax	(103,033,700)	(49,103,819)
Adjusted for:		
Depreciation	30,391,124	16,096,045
Loss on sale of Fixed Asset	1,301,123	699,906
Excess Provision written back	(470,870)	-
Provision for Gratuity and leave encashment	113,321	(39,970)
Finance cost	55,300,853	-
Operating Loss before working capital changes	<u>(16,398,149)</u>	<u>(32,347,838)</u>
Adjustments for:		
Other current liabilities & provisions	(1,266,679)	(11,471,379)
Long term loans & advance	4,045,119	391,309
Short term Loans & Advances and other current assets	45,049,823	62,599,414
Taxes (paid)/ refund received (net)	(27,243)	-
Net cash from Operating Activities	<u>31,402,871</u>	<u>19,171,506</u>
(B) Cash flow from/(used in) Investing Activities		
Purchase of Fixed assets (capital work-in-progress)	(39,885,889)	(432,916)
Sale of Fixed Assets/ Construction Stores	1,714,674	2,992,800
ICD given to Holding Company	-	(23,511,734)
ICD Received back from Holding Company	23,511,734	-
Net cash (used in) Investing Activities	<u>(14,659,481)</u>	<u>(20,951,849)</u>
(C) Cash flow from/(used in) Financing Activities		
Refund for ICD	-	(28,400,000)
Inter Corporate Deposit received	9,600,000	28,400,000
Interest and finance charges	(27,441,217)	-
Net cash (used in) Financing Activities	<u>(17,841,217)</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	<u>(1,097,827)</u>	<u>(1,780,343)</u>
Cash and Cash equivalents at the beginning of the year :		
Bank Balance-Current Account	2,783,683	4,564,026
Cash and Cash equivalents at the end of the year :	<u>1,685,855</u>	<u>2,783,683</u>
Bank Balance-Current Account		

Coastal Andhra Power Limited

As per our attached report of even date.

For Chaturvedi & Shah

Firm Registration No. 101720W

Chartered Accountants

For and on behalf of the Board of Directors

Vijay Napawaliya

Partner

Membership No. 109859

Mukund Dongre

Director

DIN No. : 02037231

Suresh Haribhau Joshi

Director

DIN No. : 07143407

Potnuru Nagaveni

CFO

Place: Mumbai

Date: 23.05.2015

Place: Mumbai

Date: 23.05.2015

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015

1. General information

Coastal Andhra Power Limited is a wholly owned subsidiary of Reliance Power Limited. The Company has been set up as a special purpose vehicle for executing the 3,960 MW (6 units x 660 MW) imported coal-based Krishnapatnam power project in Nellore District of coastal Andhra Pradesh. After commissioning, the power generated by the company will be sold to procurers from the states of Andhra Pradesh, Maharashtra, Karnataka and Tamil Nadu. Refer Note 5(b) of the financial statements.

2. Significant Accounting Policies

a) Basis of Preparation:

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the relevant provisions of the Companies Act, 2013 (The "Act") and the Accounting Standards notified under the Act. The Financial Statements are prepared on accrual basis under the historical cost convention and are presented in Indian Rupees round off to the nearest rupee.

b) Use of Estimates:

The preparation and presentation of Financial Statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on the date of the Financial Statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

c) Tangible Assets and Capital Work-in-Progress:

- (i) Tangible assets are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment of loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use. Subsequent expenditure related to an item of Tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standards of performance.

Expenditure incurred on assets which are not ready for their intended used, comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed as Capital Work in Progress.

All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / directly attributable to construction of project, borrowing cost, are disclosed as Capital Work-in-Progress.

Deposit, payments/ liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

- (ii) Construction stores have been valued at weighted average cost.

d) Intangible Assets:

- (i) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustment arising from exchange rate variation attributable to the intangible assets.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

- (ii) Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under Capital Work-in-Progress.

e) Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

f) Depreciation / Amortization:

(i) Tangible Assets:

Depreciation on Tangible Assets is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in case of motor vehicles where the estimated useful life has been considered as five year based on technical evaluation by the management.

(ii) Intangible Assets:

Software expenses are amortised on a straight line basis over a period of three years.

g) Investments:

Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined of value of long-term investments and made for each investment individually. Current investments are valued at lower of cost and fair value.

h) Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions:

Provisions are recognised when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation.

(ii) Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made as specified in Accounting standard 29 – "Provisions, Contingent Liability and Contingent Assets".

(iii) Contingent Assets:

A contingent asset is neither recognised nor disclosed in the Financial Statements.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

i) Borrowing Costs:

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

j) Foreign currency transactions:

- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein
 - Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
 - In other cases, foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortised over the balance period of such long term asset/liabilities.
 - An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment/settlement as defined under the respective agreement/memorandum of understanding.

k) Revenue recognition:

Profit on sale/redemption of investment is accounted on sale/redemption of such investments. Dividend on investment is accounted when the right to receive payment is established in the entity's favour. Interest on deposits is accounted for on an accrual basis.

l) Employee benefits:

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme and Leave Encashment.

- (i) Defined contribution plans:
Contributions to defined contribution schemes such as provident fund and superannuation are charged off to the Statement of Profit and Loss/ Capital Work-In-Progress, as applicable, during the year in which the employee renders the related service.
- (ii) Defined Benefit Plans:
The Company also provides employee benefits in the form of gratuity and leave encashment, the liability for which as at the year-end is determined by independent actuaries based on actuarial valuation using the projected unit credit method. Such defined benefits are charged off to the Statement of Profit and Loss / capital work-in-progress, as applicable. Actuarial gain / losses are recognised in the year in which they arise.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

(iii) Short term/ long term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss / capital work-in-progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

m) Accounting for taxes on income:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

n) Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o) Cash Flow Statement:

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

p) Earnings per share:

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year after deducting preference share dividend and attributable tax for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.1 Share Capital		
Authorised Share Capital		
500,00,00,000 (Previous year : 500,00,00,000) equity shares of Rs. 10 each	50,000,000,000	50,000,000,000
1000,00,00,000 (Previous year : 1000,00,00,000) preference shares of Re. 1 each	10,000,000,000	10,000,000,000
	<u>60,000,000,000</u>	<u>60,000,000,000</u>
Issued, subscribed and paid up capital		
5,10,00,000 (Previous year : 5,10,00,000) equity shares of Rs. 10 each	510,000,000	510,000,000
	<u>510,000,000</u>	<u>510,000,000</u>

3.1.1 Reconciliation of number of shares - subscribed and paid-up capital

Equity Shares

Balance at the beginning of the year	510,000,000	510,000,000
5,10,00,000 (Previous year : 5,10,00,000) equity shares of Rs. 10 each		
Balance at the end of the year - 5,10,00,000 (Previous year : 5,10,00,000) shares of Rs. 10 each	<u>510,000,000</u>	<u>510,000,000</u>

3.1.2 Terms / rights attached to Shares

Equity shares

The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.1.3 Shares held by holding Company		
Equity shares		
Reliance Power Limited - 5,10,00,000 (Previous year - 5,10,00,000) equity shares of Rs. 10 each	510,000,000	510,000,000
(Of the above 5,09,99,993 (Previous year 5,09,99,993) shares are held by Reliance Power Limited, the holding company and 7 (Previous year : 7) shares are jointly held by Reliance Power Limited and its nominees)		
	<u>510,000,000</u>	<u>510,000,000</u>

3.1.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	Percentage of share holding	As At March 31, 2015 No. of Shares	As At March 31, 2014 No. of Shares
Equity shares			
Reliance Power Limited (equity shares of Rs. 10 each fully paid-up)	100%	51,000,000	51,000,000
		<u>51,000,000</u>	<u>51,000,000</u>

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.2 Reserves and surplus		
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	(101,726,060)	(52,622,241)
Add : Loss for the year	(103,069,970)	(49,103,819)
Balance at the end of the year	<u>(204,796,030)</u>	<u>(101,726,060)</u>
	<u>(204,796,030)</u>	<u>(101,726,060)</u>

3.3 Long Term Borrowings

10,000 (Previous Year : 10,000) Zero% Non-Convertible Redeemable Secured Debentures of Rs. 10,00,000 each (Refer Note 8)	10,000,000,000	10,000,000,000
	<u>10,000,000,000</u>	<u>10,000,000,000</u>

Security clause / Maturity profile in respect of Secured Debentures allotted to Reliance Power Limited :

- 3.3.1 Redemption terms: The Debentures are redeemable on or before 5 years from the date of allotment (i.e. 3,370 debentures allotted on 26th December 2012, 5,010 debentures on 27th December 2012 and 1,620 debentures on 28th December 2012 respectively). If the debentures are held by the original allottee till maturity, annualised redemption premium of 13% p.a. is payable on maturity.
- 3.3.2 Security terms: The Debentures are secured by exclusive mortgage over the land (2,097.56 acres) of the issuer at the Company's project site at Krishnapatnam District and first and exclusive charge over the other assets, civil structures raised over the land at the project site on the outstanding amount of Debentures.
- 3.3.3 Rate of Interest: The Debentures do not carry any interest.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.4 Long term provisions		
Provision for leave encashment (Refer Note 7)	333,020	222,986
	<u>333,020</u>	<u>222,986</u>
3.5 Short-term borrowings		
ICD from holding company (Refer Note 8) (unsecured, interest free deposit, repayable within 1 year)	9,600,000	-
	<u>9,600,000</u>	<u>-</u>
3.6 Other current liabilities		
Creditors for capital expenditure	79,021,211	78,290,756
Advance from holding company (Refer Note 8)	27,859,636	-
Retention money payable	2,191,829	2,191,829
Statutory dues including Provident Fund and TDS	72,698	106,041
Other Payables (Refer Note 8)	6,039,318	7,272,654
	<u>115,184,692</u>	<u>87,861,280</u>
3.7 Short term provisions		
Provision for leave encashment (Refer Note 7)	15,201	11,914
	<u>15,201</u>	<u>11,914</u>

3.8 Tangible assets

Particulars	Gross Block (At Cost)			Depreciation			Net Block	
	As at April 1, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	For the year	Deletions during the year	Up to March 31, 2015	As at March 31, 2015
Freehold land (Refer Note below)	2,342,480,074	-	-	2,342,480,074	-	-	-	2,342,480,074
Buildings	157,048,292	-	-	157,048,292	2,357,452	-	18,415,575	138,632,717
Plant and equipment	228,692,983	-	2,888,991	225,805,992	16,623,238	884,586	61,669,175	164,136,816
Furniture & fixtures	31,650,749	-	-	31,650,749	6,582,688	-	14,737,220	16,913,529
Office equipment	1,219,410	-	-	1,219,410	650,734	-	972,759	246,651
Vehicles	12,170,848	-	7,341,837	4,829,011	3,292,438	4,361,013	3,541,744	1,287,267
Computers	4,031,488	-	-	4,031,488	461,163	-	3,443,039	588,449
Total	2,777,293,844	-	10,228,828	2,767,065,016	29,967,713	5,245,609	102,779,513	2,664,285,503
Previous Year	2,780,235,699	368,375	3,310,230	2,777,293,844	15,843,313	879,903	78,057,408	2,699,236,435

Note

Freehold land includes Land of 490.66 (Previous year: 490.66) acres amounting Rs. 250,925,283 (Previous year: Rs. 250,925,283) which has been capitalised on the basis of advance possession received from the regulatory authorities. However, this is pending registration of title deed in favour of the Company.

3.8.1 Intangible assets

Particulars	Gross Block (At Cost)			Amortisation			Net Block	
	As at April 1, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	For the year	Deletions during the year	Up to March 31, 2015	As at March 31, 2015
Computer software	2,147,988	-	-	2,147,988	423,411	-	1,746,891	401,097
Total	2,147,988	-	-	2,147,988	423,411	-	1,746,891	401,097
Previous Year	944,758	1,203,230	-	2,147,988	452,731	-	1,393,480	824,508

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

3.9 Capital Work-in-progress

Rupees

Particulars	As at April 1, 2014	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2015
A. Assets under construction	5,711,273,862	43,843,994	-	5,755,117,856
B. Expenditure pending allocation				
(i) Expenses				
Interest and finance charges	834,177,876	-	-	834,177,876
Corporate / Bank guarantee charges	102,530,984	-	-	102,530,984
Electricity expenses	3,575,743	-	-	3,575,743
Rent	10,846,724	-	-	10,846,724
Repairs and maintenance - others	18,576,270	-	-	18,576,270
Employee cost				
- Salaries, bonus and other allowance	232,408,299	-	-	232,408,299
- Contribution to provident and other funds*	10,206,011	-	-	10,206,011
- Leave encashment and gratuity*	4,186,304	-	-	4,186,304
Staff welfare	2,051,283	-	-	2,051,283
Depreciation / amortisation	61,992,753	-	-	61,992,753
Insurance charges	4,068,981	-	-	4,068,981
Rates and taxes	1,292,103	-	-	1,292,103
Advertisement	8,673,234	-	-	8,673,234
Printing and stationery	3,486,880	-	-	3,486,880
Legal and professional charges (including shared service charges)	528,390,038	-	-	528,390,038
Site expenses	2,518,692	-	-	2,518,692
Security charges	14,601,537	-	-	14,601,537
Survey charges	3,998,642	-	-	3,998,642
Social welfare expenses	6,260,908	-	-	6,260,908
Communication expenses	5,237,703	-	-	5,237,703
Administration expenses	61,946,846	-	-	61,946,846
Travelling and conveyance	44,253,230	-	-	44,253,230
Miscellaneous expenses	9,442,839	-	-	9,442,839
Sub Total	1,974,723,880	-	-	1,974,723,880
(ii) Income				
Other income	543,172	2,531,761	-	3,074,933
Excess provisions written back	10,475,641	-	-	10,475,641
Sub Total	11,018,813	2,531,761	-	13,550,574
Net expenditure pending allocation (i) - (ii)	1,963,705,067	(2,531,761)	-	1,961,173,306
C. Construction stores	4,637,273	-	695,890	3,941,383
Total capital work-in-progress (A+B+C)	7,679,616,202	41,312,233	695,890	7,720,232,545
Previous year	7,735,958,508	(10,475,641)	45,866,666	7,679,616,201

Coastal Andhra Power Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.10 Long-term loans and advances (Unsecured and considered good unless stated otherwise)		
Capital advances	5,894,237	5,894,237
Security deposits	2,211,056	6,256,175
Prepaid gratuity (Refer Note 7)	1,829,360	1,358,490
Advance income tax	2,404	11,431
[Net of provision for tax Rs. 1,84,946 (Previous year: Rs.1,48,676)]		
	<u>9,937,057</u>	<u>13,520,333</u>
3.11 Cash and bank balances		
Cash and cash equivalents		
Balance with banks in current account	1,685,855	2,783,683
	<u>1,685,855</u>	<u>2,783,683</u>
3.12 Short term loans and advances (Unsecured considered good unless stated otherwise)		
Advance recoverable in cash or in kind	24,421,276	26,884,512
Prepaid expenses (Refer Note 8)	967,996	809,383
ICD given to holding company (Refer Note 8)		23,511,734
Loans / advances to employees	64,650	50,000
	<u>25,453,922</u>	<u>51,255,629</u>
3.13 Other Current assets (Unsecured considered good)		
Other receivables	1,108,357	6,064,350
Receivable from related parties (Refer Note 8)	7,232,547	43,068,981
	<u>8,340,904</u>	<u>49,133,331</u>

Coastal Andhra Power Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
3.14 Other income		
Excess provision written back	470,870	-
	<u>470,870</u>	<u>-</u>
3.15 Employee benefit expenses		
Salaries, Bonus and Other Allowances (Including contractual employees)	5,206,209	5,252,540
Contribution to Provident Fund and other Funds	245,843	180,095
Gratuity and Leave Encashment (Refer Note 7)	113,321	264,973
Welfare Expenses	127,229	794,778
	<u>5,692,602</u>	<u>6,492,386</u>
3.16 Finance Cost		
Bank Charges	9,618	-
Guarantee Commission *	55,291,235	12,984
(* Includes Prior period expenses of Rs. 27,859,636)	<u>55,300,853</u>	<u>12,984</u>
3.17 Other expenses		
Rent expenses	179,500	478,000
Repairs and Maintainances	445,158	3,107,531
Printing and Stationery	6,063	91,082
Legal and Professional Charges	3,375,209	5,412,185
Postage and Courier	1,598	2,079
Travelling and Conveyance	185,261	849,092
Rates and Taxes	80,217	7,617,313
Insurance	580,946	1,199,833
Electricity expenses	587,891	3,934,749
Security expenses	2,567,921	2,404,025
Social welfare expenses	2,635,882	347,060
Loss on sale / disposal of Fixed Assets (net)	1,301,123	699,906
Miscellaneous expenses	173,222	359,549
	<u>12,119,991</u>	<u>26,502,404</u>

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

4. Project status:

The Engineering, Procurement and Construction (EPC) contract on a turnkey basis has been awarded to Reliance Infrastructure Limited. No debt has been drawn-down till date. The primary construction activity had commenced, however, currently, the same has been temporarily stopped due to Force Majeure event. Refer Note 5(b) for details. Based on the final decisions, the schedule of project execution will be revisited.

5. Contingent liabilities and Commitments:

- a. Government of Andhra Pradesh has levied a penalty of Rs. 1,36,94,770 (Previous year: Rs. 1,36,94,770) at the rate of 50% on account of non payment of conversion fee of Rs. 2,73,89,540 (Previous year: Rs. 2,73,89,540) towards conversion of agriculture land to non-agricultural land. The Company has filed an appeal with the Government of Andhra Pradesh (Revenue Department) for waiver of the above amount.
- b. The power plant is based on imported coal, which would be sourced from Indonesia.

The Company had entered into a firm price fuel supply agreement with Reliance Coal Resources Private Limited (RCRPL), a wholly owned subsidiary of Reliance Power Limited (Holding Company). In view of below mentioned new regulation, RCRPL cannot supply coal at the already agreed price, because of which an element of uncertainty has arisen in the fuel supply for the CAPL project, whereas the power needs to be supplied at a pre-agreed tariff as per the terms of Power Purchase Agreement (PPA) dated March 23, 2007. The Government of Indonesia introduced a new regulation in September 2010 which prohibits sale of coal, including sale to affiliate companies, at below Benchmark Price which is linked to international coal prices and requires adjustment of sale price every 12 months. This regulation also mandates to align all existing long-term coal supply contracts with the new regulations within one year i.e. by September 2011. The said issue has been communicated to the power procurers and also to the Government of India through the Association of Power Producers to arrive at a suitable solution to the satisfaction of all the stakeholders.

Since no resolution could be arrived at, the Company invoked the dispute resolution provision of PPA. The procurers have also issued a notice for termination of PPA and have raised a demand for liquidated damages of Rs.400,00,00,000 (including bank guarantee of Rs. 300,00,00,000, which has been issued by the holding company on behalf of the Company).

The Company has filed a petition before the Hon'ble High Court at Delhi inter alia for interim relief under Section 9 of the Arbitration and Conciliation Act, 1996. The Court vide its order dated March 20, 2012 has prohibited the Procurers from taking any coercive steps against the Company. The single judge of the Delhi High Court vide order dated July 2, 2012 dismissed the petition and the appeal filed by the Company against the said order is pending before the Division Bench of the Delhi High Court. The interim protection against encashing bank guarantees continues to be available.

The Company has also filed a petition before the Central Electricity Regulatory Commission without prejudice to the proceedings pending before the Delhi High Court and the arbitration process already initiated. The Commission adjourned the Petition *sine a die* with permission to mention the matter after disposal of the appeal pending before the Division Bench of the Delhi High Court.

Based on the legal opinion obtained with regard to applicability of force majeure clause for the change in law in Indonesia and other impacts thereof on the implementation of the project and considering the nature of expenditure incurred till date at the project, and based on the valuation assessment, the management of the company is confident that the carrying value of the net asset of the company is appropriate and does not require any provision for impairment in respect of capital expenditure incurred by the company and demands raised by the procurers of power.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

- c. Estimated amount of contracts (net of Capital Advances) remaining to be executed on capital account and not provided for Rs. 153,137,279,330 (March 31, 2014 Rs. 149,276,229,330).
- d. Redemption premium payable upon maturity on Zero % Non-Convertible Redeemable Secured Debentures (ZNCRSD) : Rs. 2,938,979,452 (March 31, 2014 Rs. 1,638,979,452).

6. Details of remuneration to auditors:

Particulars	Year ended March 31, 2015	Rupees Year ended March 31, 2014
As auditors		
For Statutory audit fees	1,00,000	1,00,000

7. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits":

The Company has classified various employee benefits as under:

A. Defined contribution plans

- a) Provident fund
- b) Superannuation fund
- c) State defined contribution plans
 - Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognized the following amounts in the Statement of Profit and Loss / Capital Work-in-Progress for the year:

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
Contribution to Provident Fund	1,38,360	96,413
Contribution to Employees' Superannuation Fund	71,000	71,000
Contribution to Employees' Pension Scheme 1995	34,365	11,902
Employees Deposit Insurance Scheme	2,118	780

B. Defined benefit plans

- a) Gratuity
- b) Leave encashment

Leave encashment is payable to eligible employees who have earned leave, during the employment and / or on separation as per the Company's policy.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

Valuations in respect of gratuity and leave encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate (Per annum)	7.85%	7.85%	8.90%	8.90%
Rate of increase in compensation levels	7.50%	7.50%	7.50%	7.50%
Rate of return on plan assets	8.25%	-	8.25%	-
Expected average remaining working lives of employees in number of years	9.69	-	8.46	-

	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
(i) Changes in present value of obligation				
Opening balance of present value of obligation	7,39,688	2,34,900	2,14,779	2,75,537
Interest cost	59,492	26,638	20,858	28,184
Current service cost	85,782	70,363	50,817	83,051
Benefits paid	(57,029)	-	-	(54,038)
Liabilities Settled on Divestiture	-	-	-	-
Actuarial (gain) / loss	(2,33,020)	16,320	4,53,234	(97,834)
Closing balance of present value of obligation	5,94,913	3,48,221	7,39,688	2,34,900
(ii) Changes in Fair value of plan assets				
Opening balance of present value of plan assets	27,97,695	-	26,64,794	-
Expected return on plan assets	2,30,810	-	2,19,845	-
Actuarial gain / (loss)	3,94,776	-	(79,752)	-
Employers' contributions	-	-	(7,192)	54,038
Benefits paid	(57,029)	-	-	(54,038)
Closing balance of fair value of plan assets	33,66,252	-	27,97,695	-
(iii) Percentage of each category of plan assets to total fair value of plan assets				
Administered by Reliance Life Insurance Company Limited	100%	-	100%	-
(Plan assets are invested in balanced fund instruments)				

Coastal Andhra Power Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)
(iv) Amounts recognised in the Balance Sheet

	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation	5,94,913	3,48,221	7,39,688	2,34,900
Fair value of plan assets	(33,66,252)	-	(27,97,695)	-
Amount not recognized as an asset	9,41,978	-	6,99,517	-
Funded (asset) / liability recognized in the Balance Sheet (Refer Note 3.10)	(18,29,361)	-	(13,58,490)	-
Unfunded net liability recognized in the Balance Sheet	-	348,221	-	2,34,900

(v) Expenses recognised in the Statement of Profit and Loss/ Capital Work-in-Progress

Current service cost	85,782	70,363	50,817	83,051
Interest cost	59,492	26,638	20,858	28,184
Expected return on plan asset	(2,30,810)	-	(2,19,845)	-
Net Actuarial (gain) / loss	(6,27,796)	16,320	5,32,986	(97,834)
Amount not recognized as an asset	2,42,462	-	(1,33,243)	-
Total expenses recognized in the Statement of Profit and loss / capital work in progress	(4,70,870)	1,13,421	2,51,572	13,401

(vi) Expected employers' contribution / benefits paid for the next year	-	15,201	-	11,914
---	---	--------	---	--------

(vii) Disclosure as required under Para 120 (n) of AS-15

Particulars	2014-15	2013-14	2012-13	2011-12	Rupees 2010-11
A. Leave Encashment					
(i) Defined benefit obligation	3,48,221	2,34,900	2,75,537	25,51,341	33,98,454
Plan assets	-	-	-	-	-
Surplus / (deficit)	(3,48,221)	(2,34,900)	(2,75,537)	(25,51,341)	(33,98,454)
(ii) Experience adjustment on plan liabilities	(12,568)	(76,085)	(10,90,100)	(29,51,801)	(10,76,441)
B. Gratuity					
(i) Defined benefit obligation	5,94,913	7,39,688	2,14,779	14,81,841	23,61,297
Plan assets	33,66,252	27,97,695	26,64,794	24,35,741	23,33,379
Surplus / (deficit)	27,71,339	20,58,007	24,50,015	9,53,900	(27,918)
(ii) Experience adjustment on plan liabilities	(2,84,662)	4,91,898	(5,00,606)	(21,30,447)	79,119
Experience adjustment on plan assets	3,94,776	(79,752)	28,104	(90,142)	(35,316)

The actuarial valuation of gratuity liability does not include liability of seconded employees, as the gratuity will be paid by the Holding Company as per the terms of secondment.

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

8. Related Party Disclosures

As per accounting standard-18 'Related Party Disclosures' as prescribed under Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

A. Parties where Control exists:

Holding Company

Reliance Power Limited (RPower)

B (I). Investing parties/promoters having significant influence on the Company directly or indirectly

Companies

Reliance Infrastructure Limited (R Infra)

Individual

Shri Anil D. Ambani

B (II). Other related parties with whom transactions have taken place during the year / closing balances existed at the year end:

(i) Key Management Personnel:

Shri Potnuru Nagavenu (Chief Financial Officer - w.e.f. November 7, 2014)

(ii) Fellow Subsidiaries

Rajasthan Sun Technique Energy Private Limited (RSTEPL)

Samalkot Power Limited (SMPL)

Vidharbha Industries Power Limited (VIPL)

Sasan Power Limited (SAPL)

(iii) Enterprises over which companies / individual described in clause B (I) above has control / joint control:

Reliance Infocomm Infrastructure Limited (RIIL)

Reliance General Insurance Company Limited (RGICL)

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

C. Details of transactions during the year and closing balance at the end of the year

Particulars	Rupees	
	2014-2015	2013-2014
(i) Transactions during the year :		
Material / assets transferred		
RSTEPL	-	204,518
SAPL	2,277,070	46,568,981
Receipts against materials / assets transferred		
R.Infra	-	29,057,490
SAPL	43,068,980	3,500,000
Reimbursement of expenses		
R Infra	-	7,188
Reimbursement of expenses on behalf of		
SAPL	-	46,180
Refund of expenses		
R Power	-	10,000,000
R Infra	-	33,124,567
Insurance charges		
R Power	148,774	231,040
RGICL	324,118	508,947
Remuneration to Key Managerial Personnel Shri Potnuru Nagavenu	839,431	-
Inter-corporate deposits received		
R Power	9,600,000	28,400,000
Inter-corporate deposits refunded		
R Power	-	28,400,000
Inter-corporate deposits given		
R Power	-	23,511,734

Coastal Andhra Power Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

	2014-2015	Rupees 2013-2014
Inter-corporate deposits received back		
R Power	23,511,734	-
Guarantee Commission		
R Power	55,557,902	-
(ii) Closing Balance		
Equity share capital (excluding premium)		
R Power	510,000,000	510,000,000
Secured Debentures		
R Power	10,000,000,000	10,000,000,000
Inter corporate deposits given		
R Power	-	23,511,734
Inter-corporate deposits received		
R Power	9,600,000	-
Outstanding payable		
R Power	27,859,636	-
RIL	5,101,734	5,101,734
Balance outstanding receivable		
R Infra	4,955,477	4,955,477
SAPL	2,277,070	43,184,431
Guarantees		
R Power [Refer Note (v) below]	3,000,000,000	4,705,996,315

(iv) The above disclosure does not include transactions with public utility service providers, viz. electricity, telecommunications in the normal course of business.

Coastal Andhra Power Limited**Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)**

(v) Bank guarantee issued on behalf of the Company for import of capital goods and for performance towards construction of power plant as per the terms of the power purchase agreement.

(vi) Reliance Infrastructure Limited has given an equity support undertaking to power procurers, that in the event of failure on part of Reliance Power Limited, to invest, in full or in part, in the equity share capital of the company, it shall subscribe to the balance equity.

9. Earnings per share

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit after tax for the year (Rupees) (A)	(10,30,69,970)	(4,91,03,819)
Weighted average number of equity shares (B)	5,10,00,000	5,10,00,000
Earnings / (Loss) per share – basic and diluted (Rupees) (A/B)	(2.02)	(0.96)
Nominal value of an equity share (Rupees)	10	10

10. Micro and Small Scale Business Entities

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the information available with the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

11. The Company has issued 10,000 Zero % Non-Convertible Redeemable Secured Debentures (ZNCRSD) of Rs. 10,00,000 each at par to Reliance Power Limited. The redemption premium is payable only if the ZNCRSD is held by Reliance Power Limited till the date of maturity. In view of the above, no provision has been made in the books of accounts of the Company towards premium payable on redemption of ZNCRSD. However, the same has been included in Contingent Liabilities (Refer Note 5.d.).

12. In view of loss during the year, the Company has not created Debenture Redemption Reserve of Rs. 1,130,376,712 (Previous year: Rs. 63,03,76,712 in terms of section 71 of the Companies Act, 2013). The Company will create such reserve out of profits, if any, in the future years.

13. Segment Reporting

In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the Company has determined its business segment as power generation. Since, there are no other business segments in which the Company operates and the power generated is sold within India, there are no other primary reportable segments. Therefore the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

14. Consequent to the enactment of the Companies Act, 2013, being effective from April 1, 2014, the Company has provided depreciation based on useful life as prescribed under Part A and Part C of Schedule II of the Act. Had the Company continued the earlier accounting policy, depreciation for the year would have been lower by Rs. 12,944,823.

15. Previous year figures have been regrouped and recast wherever necessary to the current year classification.

Coastal Andhra Power Limited
Notes to the financial Statements for the year ended March 31, 2015 (Continued)

As per our attached report of even date.

For Chaturvedi & Shah
Firm Registration No. 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Napawaliya
Partner
Membership No. 109859

Mukund Dongre
Director
DIN No. : 02037231

Suresh Haribhau Joshi
Director
DIN No. : 07143407

Potnuru Nagavenu
CFO

Place: Mumbai
Date: 23.05.2015

Place: Mumbai
Date: 23.05.2015