

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Reliance Coal Resources Private Limited**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Reliance Coal Resources Private 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 to 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 of 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 and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. 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.

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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 loss 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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- 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 does not have any pending litigations which would impact its financial position of the Company as at March 31, 2015.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2015.
  - 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: Reliance Coal Resources Private Limited

Referred to in Paragraph 7 of our report of even date

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- (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) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii)(a) and (iii)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iv) 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 and sale of goods and services. During the year, the Company did not undertake any activity of purchase of inventory and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, and rules framed there under are not applicable. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for whether the same has been complied with or not.
- (vi) According to the information & explanations given to us, provisions relating to maintenance of cost records as prescribed under subsection (1) of section 148 of the companies act, 2013 are not applicable to the company.
- (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 though there has been slight delay in few cases with respect to tax deducted at source. 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.

- (c) According to the information and explanations given to us, there is no 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) In our opinion and according to the information and explanations given to us, there are no dues to financial institutions, banks and debentures holders. Hence, question of default in repayment does not arise.
- (x) 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.
- (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 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**

Reliance Coal Resources Private Limited  
Balance Sheet as at March 31, 2015

Particulars	Note	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Equity and Liabilities</b>			
Shareholders' funds			
Share Capital	3.1	20,993,350	20,993,350
Reserves and Surplus	3.2	1,606,023,527	1,587,361,982
<b>Non-current liabilities</b>			
Long term borrowings	3.3	2,079,300,000	-
<b>Current liabilities</b>			
Short term borrowings	3.4	-	930,000,000
Other Current liabilities	3.5	66,884,930	20,560,091
Short term provisions	3.6	4,667,646	-
<b>Total</b>		<b>3,777,869,453</b>	<b>2,558,915,423</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible Assets	3.7	21,135	1,510,448
Non-current investments	3.8	1,664,296,082	1,517,261,058
Long-term loans and advances	3.9	2,004,731,472	113,760,672
<b>Current assets</b>			
Cash and Bank balances	3.10	18,493,875	1,923,217
Short term loans and advances	3.11	3,303,298	905,318,662
Other current assets	3.12	67,023,591	19,141,366
<b>Total</b>		<b>3,777,869,453</b>	<b>2,558,915,423</b>

The notes are an integral part of these financial statements.

As per our attached report of even date.

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

For and on behalf on the Board of Directors

Vijay Napawaliya  
Partner  
Membership No. 109859

Place: Mumbai  
Date: May 23, 2015

N. Venugopala Rao  
Director  
(DIN: 3143364)

Place: Mumbai  
Date: May 23, 2015

Paresh Rathod  
Director  
(DIN: 00004357)

Reliance Coal Resources Private 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	3.13	69,072,663	19,153,896
<b>Total Revenue</b>		<b>69,072,663</b>	<b>19,153,896</b>
Expenses:			
Employee benefits expense	3.14	-	633,584
Finance Cost	3.15	61,822,755	8,199,439
Depreciation	3.7	1,513,313	234,310
Other Expenses	3.16	1,254,248	31,784,267
<b>Total Expenses</b>		<b>64,590,315</b>	<b>40,851,600</b>
<b>Profit/(Loss) before tax</b>		<b>4,482,348</b>	<b>(21,697,704)</b>
Tax expense:			
Current Tax		4,667,646	-
<b>Profit/(Loss) for the Year</b>		<b>(185,298)</b>	<b>(21,697,704)</b>
Earnings per equity share : (Face value of Rs. 10 each)			
- Basic and Diluted		(0.09)	(12.79)
(Refer Note 8)			

The notes are an integral part of these financial statements.

As per our attached report of even date.

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

For and on behalf on the Board of Directors

Vijay Napawaliya  
Partner  
Membership No. 109859

N. Venugopala Rao  
Director  
(DIN: 3143364)

Pareesh Rathod  
Director  
(DIN: 00004357)

Place: Mumbai  
Date: May 23, 2015

Place: Mumbai  
Date: May 23, 2015

Reliance Coal Resources Private Limited  
Cash Flow Statement for the year ended March 31, 2015

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
<b>(A) Cash Flow from/(used in) Operating Activities</b>		
Net Profit/(Loss) before tax	4,482,348	(21,697,704)
Adjusted for:		
Depreciation	1,513,313	234,310
Interest income	(47,088,859)	(19,153,896)
Foreign Exchange (Gain) / Loss	(21,353,223)	20,715,000
Excess Provision written back	(551,318)	-
Interest and finance charges	61,822,755	-
Operating Loss before working capital changes	(1,174,985)	(19,902,290)
Adjustments for:		
Other current liabilities	4,474,839	12,043,962
Loans and advances and other assets	(385,084)	(21,197,417)
	2,914,771	(29,055,745)
Taxes (paid)/ refund received (net)	932,507	208,940
Net cash from Operating Activities	3,847,278	(28,846,805)
<b>(B) Cash flow from/(used in) Investing Activities</b>		
Purchase of fixed assets	(24,000)	-
Share application money pending allotment in subsidiaries	-	(112,457,059)
Interest income	-	19,153,896
Loan given	(1,062,001,900)	(922,212,000)
Investment in Equity Shares of Subsidiaries	(54,577,965)	(289,346,981)
Net cash used in Investing Activities	(1,116,603,865)	(1,304,862,144)
<b>(C) Cash flow from/(used in) Financing Activities</b>		
Proceeds from Share Application Money	-	404,500,000
Inter Corporate Deposit received	1,149,300,000	930,000,000
Interest and finance charges	(19,972,755)	-
Net cash from Financing Activities	1,129,327,245	1,334,500,000
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>16,570,658</b>	<b>791,051</b>
<b>Cash and Cash equivalents at the beginning of the year :</b>		
Bank Balance-Current Account	1,923,217	1,132,166
<b>Cash and Cash equivalents at the end of the year :</b>		
Bank Balance-Current Account	18,493,875	1,923,217

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

As per our attached report of even date.

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

For and on behalf on the Board of Directors

Vijay Napawaliya  
Partner  
Membership No. 109859

N. Venugopala Rao  
Director  
(DIN: 3143364)

Paresh Rathod  
Director  
(DIN: 00004357)

Place: Mumbai  
Date: May 23, 2015

Place: Mumbai  
Date: May 23, 2015



**1. General information**

Reliance Coal Resources Private Limited is a wholly owned subsidiary of Reliance Power Limited, incorporated under the provisions of Companies Act, 1956. The Company was incorporated with objects to be in the business of trading, manufacturing, producing, mining etc or dealing in fuels required in Industries, household, power plant etc including coal, CBM, lignite, petroleum and to plan, establish, promote and provide infrastructure and to act as consultants/agents for attaining the above objects.

**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:**

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 use, comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed as Capital Work in Progress.

**d. Depreciation:**

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 A and 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 years based on a technical evaluation by the management.

**e. 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 valued at lower of cost and fair value.

**f. Provisions, Contingent Liabilities and Contingent Assets:**

**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.

**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".

**Contingent Assets:** A contingent asset is neither recognised nor disclosed in the Financial Statements.

**g. Borrowing costs:**

Borrowing costs include cost that are ancillary and requires as per the terms of agreement. 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.

**h. 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 other than derivative contracts 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.

(iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

i. Revenue Recognition:

Revenue is recognized when it is reasonable to expect the ultimate collection. Interest income on loan is recognized on time proportionate basis.

j. 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 an 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.

(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.

k. 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 reflects 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.

l. 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.

m. 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.

n. 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. 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.

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>3.1 Share Capital</b>		
<b>Authorised Share Capital</b>		
1,60,00,000 (Previous Year : 1,60,00,000) equity shares of Rs 10 each	160,000,000	160,000,000
	<u>160,000,000</u>	<u>160,000,000</u>
<b>Issued, subscribed and paid up capital</b>		
20,99,335 (Previous Year: 20,99,335) equity shares of Rs. 10 each fully paid up.	20,993,350	20,993,350
	<u>20,993,350</u>	<u>20,993,350</u>
<b>3.1.1 Reconciliation of number of shares - subscribed and paid up Equity shares</b>		
Balance at the beginning of the year	20,993,350	16,948,350
20,99,335 (Previous Year : 16,94,835) shares of Rs. 10 each		
Add: Issued during the year : NIL (Previous Year : 4,04,500) shares of Rs. 10 each	-	4,045,000
Balance at the end of the year - 20,99,335 (Previous Year : 20,99,335) shares of Rs. 10 each	<u>20,993,350</u>	<u>20,993,350</u>
<b>3.1.2 Terms/ rights attached to equity shares</b>		
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. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>3.1.3 Shares held by holding company</b>		
<b>Equity Shares</b>		
Reliance Power Limited - 20,99,335 (Previous Year : 20,99,335) shares of Rs 10 each fully paid up	20,993,350	20,993,350
(Of the above 20,99,334 (Previous year: 20,99,334) shares are held by Reliance Power Limited, holding company and 1 (Previous year: 1) share is jointly held by Reliance Power and its nominee)		
	<u>20,993,350</u>	<u>20,993,350</u>
<b>Percentage of share holding</b>	<b>As at March 31, 2015 No. of Shares</b>	<b>As at March 31, 2014 No. of Shares</b>
<b>3.1.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Equity Shares</b>		
each fully paid up)	2,099,335	2,099,335
	<u>2,099,335</u>	<u>2,099,335</u>

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>3.2 Reserves and Surplus</b>		
<b>Securities Premium account</b>		
Balance at the beginning of the year	2,068,441,650	1,667,986,650
Add: Premium on issue of NIL (Previous year : 4,04,500) Equity shares	-	400,455,000
Balance at the end of the year	<u>2,068,441,650</u>	<u>2,068,441,650</u>
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
Balance at the beginning of the year	-	-
Add: Addition during the year	33,342,200	-
Less: Amortisation during the year	14,495,357	-
Balance at the end of the year	<u>18,846,843</u>	<u>-</u>
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(481,079,668)	(459,381,964)
Add: Profit/(Loss) for the year	(185,298)	(21,697,704)
Balance at the end of the year	<u>(481,264,966)</u>	<u>(481,079,668)</u>
	<u>1,606,023,527</u>	<u>1,587,361,982</u>
<b>3.3 Long Term Borrowings</b>		
Inter Corporate Deposits from Holding company (Unsecured, Interest @ 5% p.a. and having a tenure of 2 years) (Refer Note 6)	2,079,300,000	-
	<u>2,079,300,000</u>	<u>-</u>
<b>3.4 Short Term borrowings</b>		
Inter Corporate Deposits from Holding company (Interest free and repayable on demand)	-	930,000,000
	<u>-</u>	<u>930,000,000</u>
<b>3.5 Other Current Liabilities</b>		
Creditors for services	16,866,389	16,789,619
Payable to related parties (Refer Note 6)	48,781,479	3,597,335
Others	1,237,062	173,137
	<u>66,884,930</u>	<u>20,560,091</u>
<b>3.6 Short term provisions</b>		
Provision for income tax	4,667,646	-
	<u>4,667,646</u>	<u>-</u>

3.7 Tangible Assets

Particulars	Gross Block (At Cost)			Depreciation			Net Block		Rupees
	As at April 1, 2014	Additions during the	Deductions during the	As at March 31, 2015	For the year	Deductions during the	Up to March 31, 2015	As at March 31, 2015	
Office equipments	₹ 407,003	₹ 24,000	₹ -	₹ 431,003	₹ 270,560	₹ -	₹ 409,868	₹ 21,135	₹ 267,699
Vehicles	₹ 2,337,392	₹ -	₹ -	₹ 2,337,392	₹ 1,242,753	₹ -	₹ 2,337,392	₹ -	₹ 1,242,753
Total Tangible Assets	₹ 2,744,395	₹ 24,000	₹ -	₹ 2,768,395	₹ 1,513,313	₹ -	₹ 2,747,260	₹ 21,135	₹ 1,510,448
Previous year	₹ 2,744,395	₹ -	₹ -	₹ 2,744,395	₹ 234,310	₹ -	₹ 1,233,947	₹ 1,510,448	

As at  
March 31, 2015  
Rupees

As at  
March 31, 2014  
Rupees

3.8 Non-Current Investments (Non-trade)

Equity Instruments (unquoted, fully paid-up, at cost)

In Subsidiaries

Reliance Power Netherlands BV

1,684,296,082

1,517,261,058

Number of shares: 2,40,486 (Previous Year: 2,20,580 shares,

face value of Euro 100 each) (Refer Note 6)

1,684,296,082

1,517,261,058

3.9 Long term loans and advances

(Unsecured and considered good unless stated otherwise)

Loans & Advances to related parties

- Share application money pending allocation (Refer Note 6)

-

112,457,059

- Loan to Subsidiary (Refer Note 6)

2,002,905,600

Gratuity (Refer Note 5)

1,825,872

1,303,613

2,004,731,472

113,760,672

3.10 Cash and Bank Balances

Cash and Cash Equivalents

Bank Balance in current account

18,493,875

1,923,217

18,493,875

1,923,217

3.11 Short term loans and advances

(Unsecured and considered good unless stated otherwise)

Advance recoverable in cash or kind

271,783

79,883

Loans & Advances to related parties (Refer Note 6)

73,849

901,571,576

Advance Income Tax

-

932,507

Loans/Advance to Employees

330,209

429,939

Prepaid expenses

2,627,457

2,304,757

3,303,298

905,318,662

3.12 Other Current Assets

(Unsecured considered good)

Interest accrued on loans given to related party (Refer Note 6)

67,023,591

19,141,366

67,023,591

19,141,366



	Year Ended March 31, 2015 Rupees	Year Ended March 31, 2014 Rupees
<b>3.13 Other income</b>		
Interest received :		
on loan	47,088,859	19,141,366
on Income tax refund	79,263	12,530
Foreign Exchange Gain	21,353,223	-
Excess Provision Written Back	551,318	-
	<u>69,072,663</u>	<u>19,153,896</u>
<b>3.14 Employee benefit expenses</b>		
Salaries, Bonus and other allowances	-	73,325
Contribution to Provident Fund and other funds	-	254,424
Gratuity	-	305,835
	<u>-</u>	<u>633,584</u>
<b>3.15 Finance Cost</b>		
Interest on Borrowings	46,500,000	233
Other Finance Charges	15,322,755	8,199,206
	<u>61,822,755</u>	<u>8,199,439</u>
<b>3.16 Other expenses</b>		
Legal and Professional Charges	383,347	8,864,110
Postage and Courier	184,870	-
Travelling and Conveyance	219,384	91,656
Tender Expenses	72,500	-
Rates and Taxes	187,379	1,879,522
Insurance	19,958	6,310
Foreign Exchange Loss (Net)	-	20,715,000
Prior Period Expenses	147,760	-
Miscellaneous Expenses	39,050	227,669
	<u>1,254,248</u>	<u>31,784,267</u>

4. Details of remuneration to auditors:

Particulars	Rupees	
	Year Ended March 31, 2015	Year Ended March 31, 2014
As statutory auditor		
Audit Fees (excluding service tax)	75,000	75,000
Certification Fees (excluding service tax)	45,000	60,000

5. 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. Employees' Superannuation Fund
- c. Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit Schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

	Rupees	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Contribution to Provident Fund	-	2,54,424
Contribution to Employees' Superannuation Fund	-	-
Contribution to Employees' Pension Scheme 1995	-	-

(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.

Valuation in respect of Gratuity has 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	Gratuity
Discount rate (Per annum)	7.85%	8.90%
Rate of increase in compensation levels	7.50%	7.50%
Rate of return on plan assets	8.25%	8.25%
Expected average remaining working lives of employees in no. of years	9.69	8.82

	Year Ended March 31, 2015 Gratuity	Year Ended March 31, 2014 Gratuity
(i) Changes in present value of obligation		
Opening balance of present value of obligation	52,94,280	47,44,223
Liability on transfer of employees (Net)	-	-
Current service cost	10,66,432	12,12,025
Interest Cost	5,17,103	4,38,519
Actuarial Losses/ ( Gain)	(11,47,602)	(11,00,487)
Benefits paid	(2,96,727)	-
Closing balance of present value of obligation	54,33,486	52,94,280
(ii) Changes in fair value of plan assets		
Opening balance of fair value of plan assets	66,21,599	64,24,309
Employer's contributions	(29,059)	(29,190)
Expected return on plan assets	5,46,282	5,30,004
Actuarial Gain / ( Losses)	5,97,747	(3,03,525)
Plan assets pending transfer	-	-
Benefits paid	(296,727)	-
Closing balance of fair value of plan assets (Including pending transfer)	74,39,842	66,21,599
(iii) Percentage of each category of plan assets to total fair value of plan assets		
Administered by Reliance Life Insurance Company Limited	100%	100%
(iv) Reconciliation of present value of defined present obligations and the fair value of assets		
Closing balance of present value of obligation	54,33,486	52,94,280
Closing Balance of fair value of plan assets (Including pending transfer)	74,39,842	66,21,599
Amount not recognised as an asset [limit in Para 59(b)]	1,80,484	23,706
Funded (asset) / liability recognised in the Balance Sheet (Refer Note 2.0)	(18,25,872)	(13,03,613)

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Gratuity	Gratuity
(v) Amounts recognised in the Balance Sheet		
Closing balance of present value of obligation	₹54,33,486	₹52,94,280
Closing balance of fair value of plan assets (Including pending transfer)	₹74,39,842	₹66,21,599
Amount not recognised as an asset [limit in Para 59(b)]	₹1,80,484	₹23,706
Funded (asset) / liability recognised in the Balance Sheet (Refer Note 3.9)	₹(18,25,872)	₹(13,03,613)
(vi) Expenses recognised in the Statement of Profit & Loss		
Current service cost	₹10,66,432	₹12,12,025
Interest cost	₹5,17,103	₹4,38,519
Expected return on plan assets	₹(5,46,282)	₹(5,30,005)
Net actuarial (Gain)/ Loss	₹(17,45,349)	₹(7,96,962)
Effect of the limit in Para 59 (b)	₹1,56,778	₹(17,742)
Total expenses/(income) recognised in the Statement of Profit & Loss	₹(5,51,318)	₹305,835

The company has seconded all its employees. As per the terms of secondment, leave encashment will be paid by the respective companies hence there is no liability of Leave encashment for the Current and previous year. Therefore, disclosures relating to Leave Encashment are not applicable.

(vii) Disclosure as required under Para 120 (n) of the Standard;

	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011
(A) Gratuity :					
(i) a. Present Value of the Defined Benefit Obligation	₹54,33,486	₹52,94,280	₹47,44,223	₹38,31,787	₹22,48,787
b. Fair Value of the Plan Assets	₹74,39,842	₹66,21,599	₹64,24,309	₹23,05,569	₹21,99,871
c. (Surplus)/ Deficit in the Plan	₹(20,06,356)	₹(13,27,319)	₹(16,80,086)	₹15,26,218	₹48,916
(ii) a. Experience Adjustment on Plan Liabilities	₹(15,82,986)	₹(6,26,810)	₹(8,16,543)	₹6,32,430	₹(6,11,713)
b. Experience Adjustment on Plan assets	₹5,97,747	₹(3,03,525)	₹41,800	₹(47,156)	₹(36,373)

Reliance Coal Resources Private Limited

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

(B) Leave Encashment:		Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011
(i)	a. Present Value of the Defined Benefit Obligation	-	-	-	-	33,54,308
	b. Fair Value of the Plan Assets	-	-	-	-	-
	c. (Surplus)/ Deficit in the Plan	-	-	-	-	33,54,308
(ii)	a. Experience Adjustment on Plan Liabilities	-	-	-	-	3,23,538
	b. Experience Adjustment on Plan assets	-	-	-	-	-

6. Related Party Disclosures:

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

A. Parties where control exist:

(i) Holding Company:

Reliance Power Limited (R Power)

(ii) Subsidiary:

Reliance Power Netherlands BV (RPNBV)

(iii) Step down Subsidiaries:

PT Avaneesh Coal Resources  
PT Heramba Coal Resources  
PT Brayan Bintang Tiga Energi  
PT Sriwijaya Bintang Tiga Energi

B. (I) Investing party/promoters having significant influences on the Holding Company directly or indirectly:

Companies

Reliance Infrastructure Limited (R Infra)

Individuals

Shri Anil D. Ambani

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

Fellow Subsidiary

Sasan Power Limited (SAPL)  
Jharkhand Integrated Power Limited (JIPL)

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

Particulars	2014-2015	Rupees 2013-2014
(i) Transactions during the year :		
Share application money received		
R Power	-	404,500,000
Share application money given		
RPNBV	54,577,966	401,804,040
Reimbursement of expenses		
R Power	14,124,227	8,099,386
JIPL	19,484	-
Reimbursement of expenses paid		
R Power	-	50,668
SAPL	3,044,664	4,712,287
JIPL	-	311,058
Inter-corporate deposits received		
R Power	1,149,300,000	930,000,000
Loan given		
RPNBV	1,062,001,900	922,212,000
Interest earned on Loan		
RPNBV	47,088,859	19,141,366
Interest expenses on Inter-corporate deposits		
R Power	46,500,000	-
(ii) Closing Balance at the end of the year		
Equity share capital (excluding premium)		
R Power	20,993,350	20,993,350
Inter corporate deposits received from		
R Power	2,079,300,000	930,000,000
Investment in subsidiaries (Equity)		
RPNBV	1,684,296,082	1,517,261,058
Loan given		
RPNBV	2,002,905,600	901,497,000
Share application money given		
RPNBV	-	112,457,059
Short-term loans and advances		
SAPL	73,849	-
Other Current assets		
RPNBV	67,023,591	19,141,366
JIPL	-	74,576
Other Current liabilities		
R Power	48,784,479	3,596,374
SAPL	-	961

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

7. Earnings in Foreign Currency:

	Year Ended March 31, 2015	Year Ended March 31, 2014
Interest Income	4,70,88,859	1,91,41,366

8. Earnings/ (Loss) per Share:

	Year Ended March 31, 2015	Year Ended March 31, 2014
Profit /(Loss) for the year (Rupees) (A)	1,85,298	(2,16,97,704)
Weighted average number of equity shares (B)	20,99,335	16,95,943
Earnings/(Loss) per share – Basic (Rupees) (A/B)	(0.09)	(12.79)
Nominal value of an equity share (Rupees)	10	10

9. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at March 31, 2015		As at March 31, 2014	
	USD	Rupees	USD	Rupees
Loans and advances	32,000,000	2,002,905,600	15,000,000	901,497,000
Interest receivable on Loan	1,070,822	67,023,591	318,493	19,141,366

10. Disclosure of Loans and Advances to Subsidiaries pursuant to Clause 32 of Listing Agreement

Name	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Subsidiary :				
Reliance Power Netherlands B.V.	2,06,99,29,191	1,03,30,95,425	2,06,99,29,191	1,44,37,13,306

As at the year-end,

- (a) The balance of long term loan given by the Company to the above named subsidiary is Rs. 2,06,99,29,191 (including interest accrued) wherein the interest has been charged @ 5% p.a and,
- (b) The Company has no loans and advances in the nature of loans to firms/companies in which directors are interested.

11. **Segment Reporting:**
- There are no separate reportable segments as defined under Accounting Standard – 17 'Segment Reporting' as prescribed by Companies (Accounting Standards) Rules, 2006.
12. **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.
13. Consequent to 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.12,79,003.
14. The Management has been legally advised that the Company would qualify as an Infrastructure Company within the meaning of clause (a) of sub-section 11 of section 186 of the Companies Act, 2013.
15. Figures for the previous year have been regrouped / rearranged wherever necessary.

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

N. Venugopal Rao  
Director  
(DIN: 3143364)

Paresh Rathod  
Director  
(DIN: 00004357)

Place: Mumbai  
Date: May 23, 2015

Place: Mumbai  
Date: May 23, 2015