

FINANCIAL STATEMENT
2014-15

SAMALKOT POWER LIMITED

INDEPENDENT AUDITORS' REPORT

To The Members Of Samalkot Power Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Samalkot Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 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.
4. 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.
5. 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 and pronouncements 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.
6. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 4 of the accompanying Notes to the financial statements for the year ended as on March 31, 2015, regarding continued uncertainty as to the availability of the natural gas supply and as such the accompanying financial statements do not include any adjustment that might result from the outcome of the said uncertainty on commissioning of the Company's plant. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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.
11. 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) As explained in the Emphasis of Matter paragraph above, the functioning of the Company would be effected by the outcome of uncertainty as to availability of the natural gas supply on commissioning of the Company's plant.
 - (f) On the basis of the written representations received from the directors as on May 25, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) 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 knowledge and belief and according to the information and explanations given to us:

INDEPENDENT AUDITORS' REPORT
To the members of Samalkot Power Limited
Report on the financial statements
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- 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 15;
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2015
- iii. There were no amounts which were required to be transferred to the Investors' Education and Protection Fund by the Company during the year ended March 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

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

Priyanshu Gundana
Partner
Membership Number : 109553
Place : Mumbai
Date : May 26, 2015

Vijay Napawaliya
Partner
Membership No. 109859
Place : Mumbai
Date : May 26, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Samalkot Power Limited on the financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. The Company does not have any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- 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.
- 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. 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 the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. The Rules made by the Central Government of India with respect to maintenance of cost records pursuant sub-section (1) of Section 148 of the Act are not applicable 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 undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2015 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 and duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (c) There are no amounts required to be transferred by the Company to the Investors' Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. As the Company is registered for a period less than five years, the provisions of Clause 3 (viii) of the Order is not applicable to the Company.

Annexure to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Samalkot Power Limited on the financial statements for the year ended March 31, 2015

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- 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 any financial institution or bank or debenture holders as at the balance sheet date.
- 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. In our opinion, and according to the information and explanations given to us, except for the unutilised proceeds of term loans, to the extent of Rs. 945,000,000, that were obtained for capital expenditure but held in current accounts with banks at the year end, the term loans have been applied for the purposes for which they were obtained.
- 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 Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

Priyanshu Gundana

Partner
Membership Number : 109553

Place : Mumbai
Date : May 26, 2015

Vijay Napawaliya

Partner
Membership No. 109859

Place : Mumbai
Date : May 26, 2015

PW

Samalkot 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	300,188,000	300,188,000
Reserves and surplus	3.2	29,671,455,649	29,670,205,298
Non-current liabilities			
Long term borrowings	3.3	29,925,421,071	29,787,557,542
Other long term liabilities	3.4	7,566,492,652	7,295,348,886
Long term provisions	3.5	3,909,839	3,694,514
Current liabilities			
Short term borrowings	3.6	1,386,900,000	1,386,900,000
Other current liabilities	3.7	21,664,930,290	16,863,319,989
Short term provisions	3.8	118,249	6,524,311
Total		90,519,415,750	85,313,738,540
Assets			
Non-current assets			
Fixed assets			
Tangible assets	3.9	474,427,614	454,932,023
Intangible assets	3.9	1,537,220	3,075,217
Capital work-in-progress	3.10	86,879,124,035	82,335,290,700
Non-current investments	3.11	10,000	10,000
Long term loans and advances	3.12	1,901,297,135	1,999,718,580
Other non-current assets	3.13	57,757,418	22,441,710
Current assets			
Current investments	3.14	49,254,636	-
Cash and bank balances	3.15	967,669,651	356,146,674
Short term loans and advances	3.16	59,632,407	95,828,630
Other current assets	3.17	68,705,634	46,295,006
Total		90,519,415,750	85,313,738,540

The notes are an integral part of these financial statements

Samalkot Power Limited

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana

Partner

Membership Number: 109553

Suresh Haribhau Joshi

Director

DIN Number : 07143407

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number: 101720W

S Kasturi

Director

DIN Number :03481637

Vijay Napawaliya

Partner

Membership Number: 109859

Ashwin Purohit

Chief Financial Officer

Place: Mumbai

Date: May 26, 2015

Place: Mumbai

Date: May 26, 2015

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

Particulars	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Other income:		
Dividend income on current investment in mutual fund	1,254,636	
Total Revenue	1,254,636	
Other expenses:		
Stamp duty and filing fees	4,286	2,144
Total Expenses	4,286	2,144
Profit/ (Loss) before tax	1,250,351	(2,144)
Tax expense:		
For the current year		
Profit/ (Loss) for the year	1,250,351	(2,144)
Earnings/ (Loss) per equity share: (Face value of Rs. 10 each)		
Basic	0.08	(0.00)
Diluted	0.08	(0.00)
(Refer note 9)		

The notes are an integral part of these financial statements.

Samalkot Power Limited

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana

Partner

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Ashwin Purohit

Chief Financial Officer

Place: Mumbai

Date: May 26, 2015

Place: Mumbai

Date: May 26, 2015

Samalkot 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		
Profit/ (Loss) before tax	1,250,351	(2,144)
Adjusted for:		
Interest income		
Dividend on current investments	(1,254,636)	
Net cash (used in) Operating activities	<u>(4,285)</u>	<u>(2,144)</u>
(B) Cash flow from/ (used in) Investing activities		
Purchase of fixed assets (Including Capital work-in-progress and Capital advances)	(518,500,378)	(842,675,607)
Purchase of current investments	(49,254,636)	
Increase in non-current bank balances	(35,315,708)	
Increase in other bank balances	(945,000,000)	
Interest received	89,443,368	55,096,023
Dividend received	1,254,636	
Taxes paid	(22,119,138)	(10,850,922)
Net cash (used in) Investing activities	<u>(1,479,491,856)</u>	<u>(798,430,506)</u>
(C) Cash flow from/ (used in) Financing activities		
Inter corporate deposit received		88,100,000
Proceeds from long term borrowings - secured	1,181,655,662	1,088,285,422
Interest and finance charges paid	(35,636,544)	(31,615,838)
Net cash generated from Financing activities	<u>1,146,019,118</u>	<u>1,144,769,584</u>
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	<u>(333,477,023)</u>	<u>346,336,934</u>
Cash and cash equivalents at the beginning of the year		
Bank balances - current account	305,872,789	9,809,740
Bank balances - deposits account	50,273,885	
Cash and cash equivalents at the end of the year		
Bank balances - current account	22,669,651	305,872,789
Bank balances - deposits account		50,273,885

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

Samalkot Power Limited

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana

Partner

Membership Number: 109553

Suresh Haribhau Joshi

Director

DIN Number : 07143407

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number: 101720W

S Kasturi

Director

DIN Number : 03481637

Vijay Napawaliya

Partner

Membership Number: 109859

Ashwin Purohit

Chief Financial Officer

Place: Mumbai

Date: May 26, 2015

Place: Mumbai

Date: May 26, 2015

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

1. General information

Samalkot Power Limited is a subsidiary of Reliance CleanGen Limited which in turn is a wholly owned subsidiary of Reliance Power Limited. The Company has been set up to develop 2,262 mega watt (MW) gas based combined cycle power plant at Industrial Development Area, Peddapuram, East Godavari District, Andhra Pradesh.

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) Intangible Assets:

(i) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ 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.

(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:

Tangible Assets are depreciated on Straight Line Method (SLM) as per useful life prescribed in part C of Schedule II to the Companies Act, 2013.

(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.

i) **Borrowing Costs:**

Borrowing costs include cost that are ancillary and requires as per the terms of agreement. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised 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 rate different from those at which they were initially recorded are recognised in the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable.

(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 investments 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.

(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 year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. 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.

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.1 Share capital		
Authorised		
15,025,000 (Previous year: 15,025,000) equity shares of Rs. 10 each	150,250,000	150,250,000
15,025,000 (Previous year: 15,025,000) preference shares of Rs. 10 each	150,250,000	150,250,000
	300,500,000	300,500,000
Issued, subscribed and fully paid up capital		
15,009,400 (Previous year: 15,009,400) equity shares of Rs. 10 each fully paid up	150,094,000	150,094,000
15,009,400 (Previous year: 15,009,400) preference shares of Rs. 10 each fully paid up [Refer Note 3.1.2 (b)]	150,094,000	150,094,000
	300,188,000	300,188,000
3.1.1 Reconciliation of number of shares		
Equity shares		
Balance at the beginning of the year 15,009,400 (Previous year: 15,009,400) shares of Rs.10 each	150,094,000	150,094,000
Balance at the end of the year 15,009,400 (Previous year: 15,009,400) shares of Rs.10 each	150,094,000	150,094,000
Preference shares [Refer Note 3.1.2 (b)]		
Balance at the beginning of the year	150,094,000	150,094,000
Balance at the end of the year 15,009,400 (Previous year: 15,009,400) share of Rs. 10 each	150,094,000	150,094,000

3.1.2 Terms/ rights attached to shares**a) Equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity shares 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.

b) Preference shares**As on March 31, 2014 - 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS)**

The Company has only one class of 7.5% non-cumulative non-convertible redeemable preference shares ("NCRPS") having par value of Rs. 10 per share which have been issued at a premium of Rs. 990 per share. All the NCRPS have a maturity period of twenty years from the date of their allotment. Out of the total issued shares, 1,435,900 NCRPS can be early redeemed after fifteen years from the date of their allotment and the balance 13,573,500 NCRPS can be early redeemed after December 31, 2029, at the option of the Company or the shareholder. Dividend on NCRPS is payable on declaration by the Board of Directors on the issue price of Rs. 1,000.

As on March 31, 2015 - 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

Pursuant to the special resolutions passed by the preference share holders and the equity share holders on March 31, 2015, the Company has made modifications in the terms and conditions of NCRPS issued which are summarised below. Consequent to the modification/ variations, NCRPS are termed now as 7.5% compulsory convertible redeemable non-cumulative preference shares (CCRPS).

The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 per share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.

Samalkot 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 and ultimate holding company		
Equity shares		
Reliance CleanGen Limited - 9,009,400 (Previous year: 9,009,400) equity shares of Rs.10 each (Of the above 9,009,394 (Previous year: 9,009,394) shares are held by Reliance CleanGen Limited, the holding Company and 6 shares are jointly held by Reliance CleanGen Limited and it's nominees)	90,094,000	90,094,000
Reliance Power Limited - 6,000,000 (Previous year: 6,000,000) equity shares of Rs.10 each	60,000,000	60,000,000
	<u>150,094,000</u>	<u>150,094,000</u>
Preference shares [Refer Note 3.1.2 (b)]		
Reliance CleanGen Limited - 15,009,400 (Previous year: 15,009,400) preference shares of Rs.10 each	150,094,000	150,094,000
	<u>150,094,000</u>	<u>150,094,000</u>
	<u>300,188,000</u>	<u>300,188,000</u>

	As at March 31, 2015		As at March 31, 2014	
3.1.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	Percentage of share holding	No. of Shares	Percentage of share holding	No. of Shares
Equity shares				
Reliance CleanGen Limited - Holding Company	60%	9,009,400	60%	9,009,400
Reliance Power Limited - Ultimate Holding Company	40%	6,000,000	40%	6,000,000
		<u>15,009,400</u>		<u>15,009,400</u>
Preference shares [Refer Note 3.1.2(b)]				
Reliance CleanGen Limited - Holding Company	100%	15,009,400	100%	15,009,400
		<u>15,009,400</u>		<u>15,009,400</u>
		<u>30,018,800</u>		<u>30,018,800</u>

Samalkot 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		
3.2.1 Securities premium account		
Balance at the beginning of the year	29,669,112,000	29,669,112,000
Balance at the end of the year	<u>29,669,112,000</u>	<u>29,669,112,000</u>
3.2.2 Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	1,093,298	1,095,442
Profit/ (loss) for the year	1,250,351	(2,144)
Balance at the end of the year	<u>2,343,649</u>	<u>1,093,298</u>
	<u>29,671,455,649</u>	<u>29,670,205,298</u>
3.3 Long term borrowings		
Secured		
Term loans:		
Foreign currency term loan from financial institution	29,925,421,071	29,787,557,542
	<u>29,925,421,071</u>	<u>29,787,557,542</u>
3.3.1 Nature of security for term loan		
a) Term loans from financial institution of Rs. 33,250,468,007 (Previous Year: Rs. 29,787,557,542) is secured/ to be secured by first charge on all the immovable and movable assets and intangible asset of the Company and pledge of 100% of the total issued share capital of the Company held by the Holding Company and Ultimate Holding Company.		
b) The Ultimate Holding Company has given financial commitments/ guarantees to the lender of the Company. [Refer Note 8C(III)].		
c) Current maturities of long term borrowings have been classified as other current liabilities (Refer Note 3.7)		
3.3.2 Terms of repayment and interest		
Foreign currency loan from financial institution of Rs. 33,250,468,007 (Previous Year: Rs. 29,787,557,542) is repayable in 23 semi-annual unequal instalments starting from April 25, 2015 and carry fixed interest rate of 2.65% per annum payable on semi-annually basis. The Company has a moratorium period upto April 25, 2015 for repayment of principal and interest. Accordingly interest accrued upto October 25, 2014, is converted into loan.		
3.4 Other long term liabilities		
Retention money payable (Refer Note 11)	7,566,492,652	7,295,348,886
[For amount payable to related party, Refer Note 8]	<u>7,566,492,652</u>	<u>7,295,348,886</u>
3.5 Long term provisions		
Provision for employee benefits (Refer Note 7)		
Provision for gratuity	1,669,421	1,073,734
Provision for leave encashment	2,240,418	2,620,780
	<u>3,909,839</u>	<u>3,694,514</u>
3.6 Short term borrowings		
Unsecured		
Inter corporate deposit received from Holding Company (Refer Note 8) (repayable within one year)	1,386,900,000	1,386,900,000
	<u>1,386,900,000</u>	<u>1,386,900,000</u>

Samalkot 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
3.7 Other current liabilities		
Current maturities of long term borrowings	3,325,046,936	-
Interest accrued but not due on borrowings	405,178,213	365,307,219
Interest payable to holding company	133,509,198	-
Security deposits	219,022	-
Creditors for capital expenditure (Refer Note 11) [For amount payable to related parties, Refer Note 8]	17,767,746,925	16,462,404,748
Retention money payable (Refer Note 11)	2,160,647	600,522
Employee benefits payable	6,976,667	13,080,382
Others (Including provident fund, tax deducted at source and other miscellaneous payables)	24,092,682	1,927,118
	<u>21,664,930,290</u>	<u>16,863,319,989</u>
3.8 Short term provisions		
Provision for employee benefits (Refer Note 7)		
Provision for gratuity	15,032	252,622
Provision for leave encashment	103,217	135,440
Provision for income tax (net of advance tax of Rs. NIL, Previous year: Rs. 11,730,148)	-	6,136,249
	<u>118,249</u>	<u>6,524,311</u>

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

3.9 Tangible and Intangible assets

Particulars	Gross block (at cost)		Depreciation/ amortisation		Net block	
	As at April 1, 2014	As at March 31, 2015	As at April 1, 2014	For the year	Up to March 31, 2015	As at March 31, 2015
Tangible assets						
Freehold land *	448,277,761	448,277,761	-	-	-	448,277,761
Buildings	6,073,900	23,982,140	285,443	3,120,255	3,405,698	20,576,442
Plant and machinery	186,722	4,842,565	4,364	306,758	311,122	4,531,473
Furniture and fixtures	385,911	1,046,192	289,091	40,438	329,529	716,663
Office equipments	369,481	369,481	63,637	107,575	178,212	193,249
Computers	367,100	367,100	81,297	153,777	235,074	132,026
Total tangible assets	455,660,855	478,885,249	728,832	3,728,803	4,457,635	474,427,614
Previous year	455,474,133	455,660,855	542,799	186,033	728,832	454,932,023
Intangible assets						
Softwares	4,583,799	4,583,799	1,508,582	1,537,997	3,046,579	1,537,220
Total intangible assets	4,583,799	4,583,799	1,508,582	1,537,997	3,046,579	1,537,220
Previous year	-	4,583,799	-	1,508,582	1,508,582	3,075,217

* Freehold land includes land admeasuring 49.75 acres allotted by Andhra Pradesh Industrial Infrastructure Corporation Limited (APIC) for Rs. 220,865,187. As per the agreement for sale dated May 2, 2011 with APIC, the land shall be registered in the name of the Company on commencement of commercial operations.

Samalkot Power Limited

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

3.10 Capital work-in-progress

				Rupees
Particulars	As at April 1, 2014	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2015
A Asset under Construction *	69,006,428,113	1,122,359,309	5,316,154	70,123,471,268
B Expenditure pending allocation/ capitalisation				
(i) Expenses				
Interest and finance charges	3,508,744,675	1,199,559,016	-	4,708,303,691
Insurance	540,817,657	152,200,525	-	693,018,182
Employee benefit expenses:				
- Salaries, bonus and other allowances	195,468,638	42,955,612	-	238,424,250
- Contribution to provident and other funds (Refer Note 7)	7,907,265	2,101,479	-	10,008,744
- Gratuity and leave encashment (Refer Note 7)	4,587,094	1,100,852	-	5,687,946
Bank and corporate guarantee charges	135,911,492	376,212	-	136,287,704
Depreciation and amortisation	2,237,415	5,266,800	-	7,504,215
Foreign exchange loss/ (gain) net - [Refer Note 2(i) and 14]	8,483,922,017	2,088,489,432	-	10,572,411,449
Legal and professional fees (including shared service charges)	151,773,322	41,276,171	-	193,049,493
Other expenses	172,910,838	18,549,807	-	191,460,645
Subtotal	13,204,280,413	3,551,875,906	-	16,756,156,319
(ii) Income				
Interest received on deposits	58,930,930	101,729,946	-	160,660,876
Less: Income tax	17,875,397	-	-	17,875,397
Subtotal	41,055,533	101,729,946	-	142,785,479
Net expenditure pending allocation (i) - (ii)	13,163,224,880	3,450,145,960	-	16,613,370,840
C Construction stores	165,637,707		23,355,780	142,281,927
Total Capital work-in-progress	82,335,290,700	4,572,505,269	28,671,934	86,879,124,035
Previous year	72,317,753,173	10,059,629,289	42,091,762	82,335,290,700

* Including material amounting to Rs. 20,531,926,742 (Previous year Rs. 20,531,926,742) lying in custom bonded warehouse (Refer Note 15)

Samalkot Power Limited

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

3.11 Non-current investments (non-trade)

Investments in Government securities (unquoted, at cost)
National Savings Certificate (deposited with Sales Tax Authorities)

As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
10,000	10,000
<u>10,000</u>	<u>10,000</u>

3.12 Long term loans and advances

(Unsecured and considered good unless stated otherwise)

Capital advances (for amount paid to related party, Refer Note 8)
Security deposits
Advances recoverable in cash or in kind
Advance income tax and tax deducted at source [net of provision for tax Rs.17,875,397
(Previous year Rs. NIL)]

1,884,977,104	1,892,371,438
60,069,725	69,140,000
267,417	38,207,142
15,982,889	
<u>1,961,297,135</u>	<u>1,999,718,580</u>

3.13 Other non-current assets

Fixed deposits (deposited with Excise Authorities)
Margin money deposits

22,441,710	22,441,710
35,315,708	
<u>57,757,418</u>	<u>22,441,710</u>

3.14 Current investments

Mutual fund (unquoted, at lower of cost and fair value)
Reliance liquid fund - direct daily dividend plan
[Number of units 32,219 (Previous year Nil units), face value of Rs. 1000 each]

49,254,636	
<u>49,254,636</u>	

3.15 Cash and bank balances

Cash and cash equivalents
Bank balance in current accounts
Fixed deposits with bank (with original maturity less than 3 months)
Other bank balances

22,669,651	305,872,789
	50,273,885
945,000,000	
<u>967,669,651</u>	<u>356,146,674</u>

3.16 Short term loans and advances

(Unsecured and considered good unless stated otherwise)

Prepaid expenses
Loans/ advances to employees

59,577,407	95,753,630
55,000	75,000
<u>59,632,407</u>	<u>95,828,630</u>

3.17 Other current assets

Interest accrued on deposits
Income accrued - Others
Other receivables (Refer Note 8)

14,147,913	1,861,335
1,500	1,500
54,556,221	44,432,171
<u>68,705,634</u>	<u>46,295,006</u>

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

4. Project status:

The Company is in the process of constructing a 2,262 MW (754 MW x 3) gas based power plant at Kakinada, which based on the current circumstances, has planned its construction work and consequential commercial operations thereafter progressively starting from 2016 - 2017, and it has incurred an aggregated cost of Rs. 87,353,551,649 as at March 31, 2015. The Company has applied for allocation of gas and Ministry of Petroleum and Gas (MoPNG) is yet to allocate the gas linkage. Considering the gas availability in the country has dropped significantly and also based on gas availability projected scenarios in subsequent years, the Company is actively pursuing/ making representations with various government authorities to secure the gas linkage/ supply and is evaluating alternative arrangements/ various approaches to deal with the situation. Based on the business plans and valuation assessment, the management of the Company is confident that the carrying value of the net assets of the Company is appropriate and does not require any adjustments in the financial statements.

5. Commitments:

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 9,506,916,433 (Previous year: Rs. 10,516,479,825).

6. Details of remuneration to auditors:

Particulars	Year ended March 31, 2015	Rupees Year ended March 31, 2014
As auditors		
- For statutory audit	5,400,000	5,400,000
- For others	60,000	
Out of pocket expenses	101,882	179,307
Total	5,561,882	5,579,307

7. Disclosure under Accounting Standard 15 "Employee benefits" (AS - 15):

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 Trustees of the Life Insurance Corporation of India. 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 recognised the following amounts in the Capital work-in-progress:

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
Contribution to provident fund and employees' pension scheme 1995	1,885,322	2,248,910
Contribution to employees' superannuation fund	216,157	376,769

(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.

Samalkot 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%
Expected average remaining working lives of employees in number of years	9.69	-	13.75	-

	Year ended March 31, 2015		Rupees 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	1,326,356	2,756,221	935,778	2,632,270
Current service cost	504,979	1,315,054	597,708	1,562,598
Interest cost	151,747	356,316	121,985	331,041
Actuarial losses/ (gains)	(53,019)	(1,174,226)	(329,115)	(1,456,248)
Benefits paid	(245,610)	(909,730)	-	(313,440)
Closing balance of present value of obligation	1,684,453	2,343,635	1,326,356	2,756,221
(ii) Amounts recognised in the Balance Sheet				
Closing balance of present value of obligation	1,684,453	2,343,635	1,326,356	2,756,221
Unfunded (assets)/ liabilities recognised in the Balance Sheet	1,684,453	2,343,635	1,326,356	2,756,221
Recognised as under:				
- Long term provisions (Refer Note 3.5)	1,669,421	2,240,418	1,073,734	2,620,780
- Short term provisions (Refer Note 3.8)	15,032	103,217	252,622	135,440
(iii) Expenses recognised in the Capital work-in-progress				
Current service cost	504,979	1,315,054	597,708	1,562,598
Interest cost	151,747	356,316	121,985	331,041
Actuarial losses/ (gains)	(53,019)	(1,174,226)	(329,115)	(1,456,248)
Total expense recognised in Capital work-in-progress (Refer note 3.10)	603,707	497,145	390,578	437,391
(iv) Expected employer's contribution for the next year	15,032	103,217	252,622	135,441

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

(v) Disclosure as required under Para 120 (n)	2014-2015		2013-14		2012-2013		Rupees 2011-2012	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of the defined benefit obligation	1,684,453	2,343,635	1,326,356	2,756,221	935,778	2,632,270	48,446	1,404,237
Deficit in the plan	1,684,453	2,343,635	1,326,356	2,756,221	935,778	2,632,270	48,446	1,404,237
Experience adjustments On plan liabilities	(311,919)	(1,479,199)	(154,418)	(1,145,642)	392,192	(31,006)	*	*

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

Since AS - 15 is applicable to the Company from the financial year 2011-12, disclosures as required under para 120 (n) have been made accordingly.

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:

Ultimate Holding Company

Reliance Power Limited (RPower)

Holding Company

Reliance CleanGen Limited (RCGL)

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

Companies

Reliance Infrastructure Limited (RInfra)

Individual

Shri Anil D. Ambani

B (II). Other related parties with whom transactions have taken place during the year:

(i) Key management personnel:

1. Ashwin Purohit - Chief Financial Officer
2. Paresh Rathod - Company Secretary and Manager (upto February 12, 2015)

Samalkot Power Limited

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

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

Fellow subsidiaries

Sasan Power Limited (SAPL)

Rajasthan Sun Technique Energy Private Limited (RSTPL)

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

Reliance General Insurance Company Limited (RGICL)

Reliance Infocomm Infrastructure Limited (RIIL)

C. 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 :		
Sale of materials/ construction stores		
SAPL	13,084,295	39,096,071
RIinfra		5,336,100
Purchase of materials/ services and related costs		
RIinfra	1,043,838,996	4,453,540,318
RCGL	135,000	135,000
RIIL	4,723,825	11,337,182
Reimbursement of expenses paid by		
RPower	5,133,103	4,467,206
SAPL		914
RSTL	3,936	
Reimbursement of expenses paid for		
RIinfra	6,087,490	21,184,577
SAPL		135,499
Insurance premium		
RPower	2,053,350	3,204,170
RGICL	37,681,432	10,146,141
Insurance claim settled		
RGICL		13,373,387
Interest and finance charges		
RCGL	146,342,636	
Inter-corporate deposits received		
RCGL		88,100,000
Guarantees issued on behalf of the Company		
RPower	2,770,696	

Samalkot Power Limited

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

(ii) Closing Balance

Equity share capital (excluding premium)

RPower	60,000,000	60,000,000
RCGL	90,094,000	90,094,000

Preference share capital (excluding premium)

RCGL	150,094,000	150,094,000
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Capital advances

RInfra	1,874,707,626	1,874,707,626
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Retention payable

RInfra	7,566,492,652	7,295,348,886
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Creditors for capital expenditure

RPower	3,296,168	3,145,989
RInfra [Refer Note (vi) below]	17,674,354,908	16,416,158,637
RCGL	121,500	-
RIIL	13,219,923	8,497,782

Interest payable on inter-corporate deposits

RCGL	133,509,198	-
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Other receivables

RInfra	5,336,100	5,336,100
SAPL	49,220,122	39,096,071

Short term borrowings — inter-corporate deposits received

RCGL	1,386,900,000	1,386,900,000
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Guarantees issued on behalf of the Company

RPower	9,519,907	6,749,211
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- (iii) The Holding Company/ Ultimate Holding Company has entered into agreements with the lender/ security trustee of the Company wherein it has committed/ guaranteed to extend financial support in the form of equity or debt as per the agreed means of finance, in respect of the project being undertaken, including that for mandatory pre-payments and permitted investments and to meet shortfall in the forex hedging based on the future outcome of various uncertainties.
- (iv) The above disclosure does not include transactions with public utility service providers, viz. electricity, telecommunications in the normal course of business.
- (v) The Company has entered into an agreement for sharing of resources and assets with RInfra at Samalkot location.

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

- (vi) The Company had during the previous year accounted Rs. 1,107,324,607 in Capital work-in-progress, arising out of reclassification of certain payments made under EPC Contract
- (vii) The Company has also taken land on lease from RInfra (Refer Note 13)

9. Earnings per share:

	Year ended March 31, 2015	Year ended March 31, 2014
Profit / (Loss) for the year (Rupees) (A)	1,250,351	(2,144)
Weighted average number of equity shares – Basic and diluted (B)	15,009,400	15,009,400
Earnings / (Loss) per share - Basic and diluted (Rupees) (A/B)	0.08	(0.00)
Weighted average number of potential equity shares on account of conversion of preference shares (C)	41,122	-
Weighted average number of shares of diluted EPS (D=B+C)	15,050,522	15,009,400
Diluted earnings/ (loss) per share (A/D) (Rupees)	0.08	(0.00)
Nominal value of an equity share (Rupees)	10	10

10. Foreign currency exposure:

- I. Net foreign currency exposure that are not covered by derivative instrument or otherwise are as follows

Sr. No.	Particulars	As at March 31, 2015		As at March 31, 2014	
		Amount in USD	Amount in Rupees	Amount in USD	Amount in Rupees
(a)	Borrowings, including interest accrued but not due	537,864,846	33,665,391,028	501,713,232	30,152,864,761
(b)	Creditors for capital expenditure (net of advances) and retention payable	296,666,946	18,568,621,508	296,666,946	17,829,624,121

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
II. CIF value of imports Capital goods		331,609,055

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
III. Expenditure in foreign currency		
Interest and finance charges (including exposure fees)	1,042,724,621	979,201,741
Engineering services (inspection)	47,361,624	
Legal and professional charges	674,945	325,656
Membership and subscription fees	80,980	

11. 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.

12. Segment Reporting:

In accordance with Accounting Standard 17 "Segment Reporting", 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.

Samalkot Power Limited

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

13. The area in which the plant is under construction includes land admeasuring 61 acres, owned by Reliance Infrastructure Limited which is under possession of the Company through Memorandum of Understanding. The Company is in process of entering into a lease agreement with Reliance Infrastructure Limited for the same. Further, pending execution of lease agreement, the Company has obtained an affirmation from Reliance Infrastructure Limited that the assets on the land is the property of the Company.

14. Exchange differences on foreign currency monetary items:

The Company has availed the option available with respect to accounting for exchange difference arising on long term foreign currency monetary items in the Companies (Accounting Standards) (Second Amendment), Rules, 2011. Due to exercise of the said option as explained in Note 2(j) above, the Company has adjusted the value of Capital Work-in-Progress by Rs. 2,088,489,432 (Loss) [Previous year Rs. 4,964,832,415 (Loss)] towards the exchange difference arising on long term foreign currency monetary liabilities.

15. The project has received provisional mega power status certificate from the Ministry of Power/ Government of India which, inter alia, entails the project to avail the exemptions/ benefits of Mega power projects. However Customs authorities and Customs, Excise and Service Tax Appellate Tribunal have not considered the exemption and the Company has filed an appeal before the Honourable Supreme Court of India claiming the benefits of Mega project. Pending resolution of the matter, the Company is clearing the goods by paying the customs duty. The goods which have not been cleared have been stored in a customs bonded warehouse.

16. Consequent to the Companies Act, 2013, being effective from April 1, 2014, the Company has provided depreciation based useful life as prescribed under of Schedule II of the Act. Had the Company continued the earlier accounting policy, depreciation for the year would have been lower by Rs. 3,547,491.

17. Previous year figures have been reclassified, wherever considered necessary, to conform to this year's classification.

Samalkot Power Limited

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

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyapshu Gundana
Partner
Membership Number: 109553

Suresh Haribhau Joshi
Director
DIN Number : 07143407

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

S Kasturi
Director
DIN Number :03481637

Vijay Napawaliya
Partner
Membership Number: 109859

Ashwin Purohit
Chief Financial Officer

Place: Mumbai
Date: *May 26, 2015*

Place: Mumbai
Date: *May 26, 2015*