

**ReLIANCE**

**Power**

# **Annual Report 2018-19**



**Padma Vibhushan**  
**Shri Dhirubhai H. Ambani**  
(28<sup>th</sup> December, 1932 – 6<sup>th</sup> July, 2002)  
Reliance Group – Founder and Visionary

# Profile

Reliance Power Limited (RPower) is a constituent of the Reliance Group, one of the leading business houses in India.

RPower has developed and constructed a large portfolio of power generation projects and a coal mine in India.

RPower presently has 5,945 MW of operational power generation capacity and a 20 million tonnes per annum capacity operating coal mine.

Our power generation projects are diverse in geographic locations, fuel source and offtake.

RPower strongly believes in clean green power and our projects are / will be using technologies with minimum environment impact.

## Mission: Excellence in Power Generation

- To attain global best practices and become a leading power generating Company.
- To achieve excellence in project execution, quality, reliability, safety and operational efficiency.
- To relentlessly pursue new opportunities, capitalizing on synergies in the power generation sector.
- To consistently enhance our competitiveness and deliver profitable growth.
- To practice highest standards of corporate governance and be a financially sound Company.
- To be a responsible corporate citizen nurturing human values and concern for society.
- To improve the lives of local community in all our projects.
- To be a partner in nation building and contribute towards India's economic growth.
- To promote a work culture that fosters learning, individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems and become the employer of choice.
- To earn the trust and confidence of all stakeholders, exceeding their expectations.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

*This Report is printed on environment friendly paper.*

# Reliance Power Limited

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**25<sup>th</sup> Annual General Meeting on Monday, September 30, 2019 at 12.30 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Rama & Sundri Watumull Auditorium Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020**

*The Annual Report can be accessed at [www.reliancepower.co.in](http://www.reliancepower.co.in)*

Notice

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of **Reliance Power Limited** will be held on Monday, September 30, 2019 at 12.30 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020, to transact the following business:

**Ordinary Business:**

1. To consider and adopt:
  - a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and the Auditors thereon, and
  - b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of the Auditors thereon.
2. To appoint a Director in place of Shri K. Raja Gopal (DIN: 00019958), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To confirm M/s. Pathak H.D. & Associates, Chartered Accountants continuing as the sole Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, the appointment of M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No.107783W) who have been appointed as the Auditors to hold office till the conclusion of the 27<sup>th</sup> Annual General Meeting, be and is hereby confirmed as the sole Statutory Auditors of the Company."

**Special Business:**

4. **Payment of remuneration to the Cost Auditor for the financial year ending March 31, 2020**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. V.J. Talati & Co., Cost Accountants (Firm Registration No. R00213) appointed as the Cost Auditors in respect of its 45 MW Wind Farm Power Project at Vashpet, Dist. Sangli, Maharashtra, for the financial year ending March 31, 2020, be paid a remuneration of ₹ 15,000/- (Rupees fifteen thousand only) excluding applicable taxes and out of pocket expenses, if any;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Private Placement of Non-Convertible Debentures and/or other Debt Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the provisions of the Memorandum of Association and the Articles of Association of the Company, the Securities and Exchange Board of India ("SEBI") (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable SEBI regulations and guidelines, and subject to such other applicable laws, rules and regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any duly constituted committee of the Board) for making offer(s) or invitation(s) to subscribe to Secured / Unsecured / Redeemable / Non- Redeemable Non-Convertible Debentures (NCDs) including but not limited to subordinated debentures, bonds, and / or other debt securities, etc., on a private placement basis, in one or more series / tranches, for refinancing of existing debt within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine, negotiate, modify and finalise the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing, redemption period, utilisation of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard."

By Order of the Board of Directors

Murli Manohar Purohit  
Company Secretary & Compliance Officer

Registered Office:  
Reliance Centre, Ground Floor,  
19, Walchand Hirachand Marg,  
Ballard Estate, Mumbai 400 001  
CIN: L40101MH1995PLC084687  
Website: www.reliancepower.co.in

August 30, 2019

## Notice

### Notes:

1. Statement pursuant to Section 102(1) of the Act, relating to items of Special Business to be transacted at the Annual General Meeting ('Meeting') is annexed hereto.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of herself / himself, and the proxy need not be a Member of the Company. The instrument appointing proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not later than 48 hours before the commencement of the Meeting.**
3. A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company, a certified true copy of their Board Resolution authorizing their representative(s) together with their specimen signature(s) to attend and vote on their behalf at the Meeting.
5. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed to the report.
6. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the Annual Report to the Meeting.
7. In case of the joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
10. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.
11. Non-Resident Indian members are requested to inform Karvy Fintech Private Limited (Karvy), Company's Registrar and Transfer Agent immediately on:
  - a. the change in the residential status on return to India for permanent settlement; and
  - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Re-appointment of Director:  
 At the ensuing Meeting, Shri K. Raja Gopal (DIN: 00019958), Director of the Company retires by rotation under the provisions of the Act and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the reappointment.  
 The details pertaining to Shri K. Raja Gopal pursuant to the requirements of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') are furnished below and in the Corporate Governance Report forming part of this Annual Report.  
 Shri K. Raja Gopal, 61 years, ME, MBA having over thirty-six years of industry and leadership experience in both public and private domains. A well acknowledged leader in power industry of the country known for deep insight, vision, team building capability, fostering strong relationships and a proven track record of execution and operation of large Independent Power Producers (IPPs).  
 He has been appointed as a Director of the Company with effect from July 1, 2018. He has attended all 3 Board Meetings held during the financial year 2018-19. He is a member of the Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee.  
 In terms of Section 152(6) of the Act, he was appointed as the Executive Director at the Annual General Meeting held on September 18, 2018 liable to retire by rotation.  
 Shri K. Raja Gopal did not hold any shares of the Company. He does not hold any relationship with Directors and Key Managerial Personnel of the Company.
13. Subsequent to resignation of M/s. B S R & Co. LLP, Chartered Accountants, as one of the Statutory Auditors, M/s. Pathak H.D. & Associates, Chartered Accountants confirmed to continue as the sole Statutory Auditors of the Company. Accordingly, resolution set out at item no. 3 seeking confirmation of members is proposed as an abundant caution.
14. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
15. **SEBI has decided that securities of listed companies can be transferred only in dematerialised form from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.**
16. Members are requested to fill in and submit online the Feedback Form provided in the 'Investor Information' section on the Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in) to aid the Company in its constant endeavor to enhance the standard of service to the investors.

Notice

17. The Statement containing the salient features of the Balance Sheet, the Statement of Profit and Loss and Auditors' Report on the Abridged Financial Statement, is sent to the members, along with the Abridged Consolidated Financial Statement. Any member interested in obtaining a copy of the full Annual Report, may write to the Company or Karvy.
18. **Members holding shares in physical mode:**
  - a. **are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy, if not registered with the Company as mandated by SEBI.**
  - b. **are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link <http://reliancepower.co.in/Download-Forms.aspx>.**
  - c. **are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.**
19. **Members holding shares in electronic mode:**
  - a. **are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.**
  - b. **are advised to contact their respective DPs for registering the nomination.**
  - c. **are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.**
20. With a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, the SEBI vide its circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated February 11, 2019, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:
  - a. The relaxation shall only be available for transfers executed after January 01, 2016.
  - b. The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.
  - c. The non-resident shall provide copy of an alternate valid document to ascertain identity as well as non-resident status.
21. Members who hold shares in physical form, in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Karvy for consolidation into a single folio.
22. The physical copy of Annual Report 2018-19, the Notice of the AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent to those shareholders whose e-mail addresses are not registered with the Company and by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless a member has requested for a physical copy of the documents. All the above documents are also available on the website of the Company i.e. [www.reliancepower.co.in](http://www.reliancepower.co.in)
23. Members whose shares/ application money due for refund, or interest thereon, has been transferred to the Investor Education and Protection Fund (IEPF), may claim the same by submitting an online application in Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in), along with fee specified therein.
24. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all members of the Company through Notice dated August 30, 2019 (remote e-voting). A person, whose name is recorded in the register of members or in the register of beneficial owner (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. September 23, 2019 only shall be entitled to avail the facility of remote e-voting / voting. Karvy will be facilitating remote e-voting to enable the members to cast their votes electronically. The members can cast their vote online from 10:00 A.M. (IST) on September 26, 2019 to 5:00 P.M. (IST) on September 29, 2019. The members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip. The facility for voting shall also be available at the Meeting. The members who have cast their votes by remote e-voting prior to the meeting may also attend the Meeting, but shall not be entitled to cast their votes again at the Meeting. The Board of Directors have appointed Shri Anil Lohia or in his absence Shri Rinkit Kiran Uchat, Partners, M/s. Dayal and Lohia, Chartered Accountants as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.reliancepower.co.in](http://www.reliancepower.co.in) and on the website of Karvy.

## Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated August 30, 2019

### Item No. 4 - Payment of remuneration to the Cost Auditors for the financial year ending March 31, 2020

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V.J. Talati & Co., Cost Accountants (Firm Registration No. ROO213), as the Cost Auditor in respect of its 45 MW Wind Farm Power Project at Vashpet, Sangli District, Maharashtra, for the financial year ending March 31, 2020, at a remuneration of ₹ 15,000/- (Rupees fifteen thousand only) excluding applicable taxes and out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in this resolution set out in Item no. 4 of the Notice.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

### Item No. 5 - Private Placement of Non-Convertible Debentures and/or other Debt Securities

As per the provisions of Section 42 of the Act and the Rules made thereunder, a company offering or making an invitation to subscribe to Secured / Unsecured / Redeemable / Non Redeemable Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCDs to be made during the year. NCDs including subordinated debentures, bonds and / or other debt securities, etc., issued on a private placement basis constitute a significant source of borrowings for the Company and meet the ongoing funding requirements, general corporate purposes for the Company's business activities and refinancing of the existing debt obligations of the Company.

The Board of Directors at its meeting held on June 07, 2019, has considered the possibility of the Company being required to make an offer or invitation, to subscribe to securities through private placement subject to the shareholders' approval at the ensuing AGM.

It is therefore proposed to obtain an enabling approval of shareholders to offer or invite subscriptions for NCDs including subordinated debentures, bonds, and/or other debt securities, etc. on private placement basis, at appropriate time in one or more tranches, within the overall borrowing limits of the Company as approved by the Members with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest, repayment, security, use of proceeds or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit. The Board would act on the basis of the enabling resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the Members is being sought by way of a Special Resolution under Sections 42, 71 and other applicable provisions, if any, of the Act read with Rules made there under as set out in Item No. 5 appended to this Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

Murli Manohar Purohit  
Company Secretary & Compliance Officer

Registered Office:  
Reliance Centre, Ground Floor,  
19, Walchand Hirachand Marg,  
Ballard Estate, Mumbai 400 001  
CIN: L40101MH1995PLC084687  
Website: [www.reliancepower.co.in](http://www.reliancepower.co.in)

August 30, 2019



## Directors' Report

Dear Shareowners,

Your Directors present the 25<sup>th</sup> Annual Report and the audited accounts for the financial year ended March 31, 2019.

### Financial Results

The performance of the Company (Consolidated and Standalone) for the financial year ended March 31, 2019, is summarized below:

| Particulars                        | Financial Year ended |              | Financial Year ended         |              |
|------------------------------------|----------------------|--------------|------------------------------|--------------|
|                                    | March 31, 2019       |              | March 31, 2018               |              |
|                                    | (Consolidated)       | (Standalone) | (Consolidated)<br>(Restated) | (Standalone) |
| Total Income                       | 8,53,426             | 34,496       | 9,87,101                     | 48,950       |
| Profit/(Loss) before Tax           | (2,93,404)           | (61,418)     | 98,425                       | 546          |
| Less: Provision for Taxation (Net) | 1,778                | (1,252)      | 14,380                       | 321          |
| Profit/(Loss) after Tax            | (2,95,182)           | (60,166)     | 84,045                       | 225          |

₹ In lakhs

### Financial Performance

During the financial year under review, total Income of the Company was ₹ 34,496 lakhs against ₹ 48,950 lakhs in the previous year on a Standalone basis. The Company has incurred a loss of ₹ 60,166 lakhs compared to Profit of ₹ 225 lakhs in the previous year.

### Dividend

During the year under review, the Board of Directors has not recommended dividend on the Equity Shares of the Company.

The Company's Dividend Distribution Policy forms part of this Annual Report.

### Business Operations

During the year 2018-19, all the operating plants of the Company which are functioning through its subsidiary companies performed exceedingly well both in terms of efficiency parameters and profitability. The Plant Load Factor (PLF) of the three thermal plants of the Company (Sasan Power, Rosa Power and Butibori Plant) accounted for a total aggregate capacity of 5760 MW was 78% as against the all India average of 61%.

The Company's Sasan UMPP (Capacity 3,960 MW) had a very impressive year generating ~32,900 Million Units (MUs) for the year, with the PLF being 94.78% and becoming No 1 Thermal Power Plant across all categories of thermal power plants in the Country.

The Sasan UMPP is the World's largest integrated power plant with the Moher and Moher Amlohri Coal mines. Total volume handled at Sasan Coal Mine during the year was 93.2 Million CuM including the Overburden handled at 81.2 Million CuM making it the largest mine in the Country in terms of overall volume handled.

Sasan mine received 5 awards under overall category for the best mining and maintenance practices from DGMS during Annual Mines Safety Week 2018.

The Rosa Thermal plant (1,200 MW) at Shahjahanpur in Uttar Pradesh, owned by the Company's subsidiary Rosa Power Supply Company Limited delivered another year of consistent performance with generation of 4341 MUs.

The Rosa power plant received prestigious accolades and awards from prestigious Institutions for excellence in environment, safety, CSR, quality and best O&M Practices.

The Butibori Thermal plant (600 MW) in Maharashtra generated 2213 MUs during the year. The plant also received recognition from prestigious bodies for excellence in the areas of environment, safety, quality and best HR and training practices. It won accolades for its initiatives in the area of community development as part of its CSR Projects.

The Solar PV (40 MW) Project in Rajasthan generated 68.3 MUs during the year.

The Solar CSP (100 MW) plant in Rajasthan has achieved number of operating milestones including achievement of peak load of 127.5 MW during the year.

The Company's Wind Farm at Vashpet in Sangli District of Maharashtra also performed satisfactorily during 2018-19.

### Proposed gas-based project in Bangladesh

The Directors are pleased to inform that during the year the progress achieved in the implementation of the gas-based project in Bangladesh was significant. The project involves development and operation of a 718 MW (net) Combined Cycle Power Plant (CCPP) using Re-gasified Liquefied Natural Gas (LNG). The Company has initialled the project Agreements for Phase – I of its Bangladesh Project with the Bangladesh Authorities. The said Agreements have been vetted and reviewed by the Ministry of Law and Ministry of Finance of Bangladesh. The Agreements are expected to be signed very soon.

### Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), is presented in a separate section forming part of this Annual Report.

### Non-Convertible Debentures (NCDs)

The Company has repurchased Listed, Secured NCDs for an amount of ₹ 205 Crore out of the total amount of ₹ 750 Crore. The Company along with consent of Debenture Holder and Debenture Trustee has extended the maturity of other Listed, Unsecured NCDs for a further period of 396 days. As on date total NCDs of ₹ 795 Crore are outstanding. These NCDs are listed on BSE Limited.

### Deposits

The Company has not accepted any deposits from the public which comes within the purview of Section 73 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the relevant Rules made thereunder.

### Particulars of Loans, Guarantees or Investments

Pursuant to the provisions of Section 186 of the Act, the details of Investments made are provided in the unabridged standalone financial statements under Note 3.3(a) and 3.5(a).

### Subsidiary and Associate Companies

As on March 31, 2019, the Company had 44 subsidiaries under its fold. During the year, Reliance Chittagong Power Company Limited became subsidiary of the Company.

## Directors' Report

The Company had the following Associate Companies as on March 31, 2019:

1. RPL Sun Power Private Limited
2. RPL Photon Private Limited
3. RPL Sun Technique Private Limited

The operating and financial performance of the major subsidiary companies, has been discussed in the Management Discussion and Analysis Report forming part of this Annual Report. In addition, the financial results of the subsidiary companies have been consolidated with those of the parent company. The Company's policy for determining material subsidiaries, as approved by the Board, may also be accessed on the Company's website at the link [http://www.reliancepower.co.in/pdf/Policy\\_for\\_Determination\\_of\\_Material\\_Subsiidiary.pdf](http://www.reliancepower.co.in/pdf/Policy_for_Determination_of_Material_Subsiidiary.pdf).

### Financial Statements – Application of the Companies (Indian Accounting Standards) Rules, 2015

The Audited Financial Statement of the Company drawn up both on Standalone and Consolidated basis, for the financial year ended March 31, 2019, are in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS Rules).

### Consolidated Financial Statement

The Audited Consolidated Financial Statement for the financial year ended March 31, 2019, based on the financial statements received from the subsidiaries and associates Companies, as approved by their respective Board of Directors, have been prepared in accordance with Ind AS Rules and relevant provisions of the Act.

### Directors

During the year under review, the approval of the members has been accorded for appointment of Shri K. Raja Gopal as a Whole-time Director of the Company commencing from July 1, 2018. Shri N. Venugopala Rao, Whole-time Director has superannuated from the services of the Company from the close of business hours on June 30, 2018.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and the Listing Regulations.

The details of programmes for familiarization of Independent Directors with the Company, nature of industry in which the Company operates and related matters have been put up on the website of the Company at the link: <http://www.reliancepower.co.in/web/reliance-power/corporategovernance>.

In accordance with the provisions of the Act, Shri K. Raja Gopal (DIN: 00019958) Director, retires by rotation and being eligible, has offered himself for re-appointment at the ensuing Meeting.

### Appointment of Whole-time Director

The Board of Directors at their meeting held on April 13, 2018 had appointed Shri K. Raja Gopal as Chief Executive Officer with effect from May 02, 2018 and Whole-time Director with effect from July 01, 2018 for a period of 3 years subject to the approval of members of the Company. The approval of the members of the Company has also been accorded in the AGM held on September 18, 2018.

### Particulars of Directors proposed to be appointed

In term of the provision of the Act, Shri K. Raja Gopal, Whole-time Director and Chief Executive Officer of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Meeting. A brief resume of Shri K. Raja Gopal, along with requisite details, as stipulated under Regulation 36(3) of the Listing Regulations is given in the section on Corporate Governance Report forming part of this Annual Report.

### Key Managerial Personnel (KMP)

Shri K. Raja Gopal was appointed as the Chief Executive Officer (CEO) of the Company with effect from May 02, 2018 and Whole-time Director (WTD) with effect from July 01, 2018.

Shri Shrenik Vaishnav has been appointed as the Chief Financial Officer (CFO) with effect from May 02, 2018.

As on date, Shri K. Raja Gopal, WTD & CEO, Shri Shrenik Vaishnav, CFO and Shri Murli Manohar Purohit, the Company Secretary are the KMP's.

### Evaluation of Directors, Board and Committees

The Nomination and Remuneration Committee (the NRC) of the Company has devised a policy for performance evaluation of the individual directors, the Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. A separate meeting of the Independent Directors was also held during the financial year for the evaluation of the performance of Non-Independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors, etc.

### Policy on Appointment and Remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The NRC of the Board has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The NRC has formulated the criteria for determining the qualifications, positive attributes and independence of Directors, which has been put up on the Company's website <http://www.reliancepower.co.in>. and the same is attached as Annexure – A.

### Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statement for the financial year ended March 31, 2019 on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

## Directors' Report

- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into/by the Company during the financial year under review with related parties were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions, which may have potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions, which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted, were reviewed and statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website at the link <http://www.reliancepower.co.in/web/reliance-power/corporate-governance>.

Your Directors draw attention of the members to Note 12 to the financial statement, which sets out related party disclosures.

### Material Changes and Commitments, if any, affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the close of the financial year till the date of this Report.

### Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, six Board Meetings were held. Details of the meetings held and attended by each Director are given in the Corporate Governance Report.

### Audit Committee

During the year under review the Audit Committee of the Board consists of majority of Independent Directors namely Shri K. Ravikumar (Chairman), Shri D.J. Kakalia and Smt. Rashna Khan. Shri Sateesh Seth, Non-Independent and Non-Executive Director is a member of the Audit Committee.

During the year, all the recommendations made by the Audit Committee were accepted by the Board. Shri Sateesh Seth ceased to be member of the Audit Committee with effect from June 7, 2019.

### Auditors and Auditors' Report

M/s. Pathak H.D. & Associates, Chartered Accountants and M/s. BSR & Co. LLP, Chartered Accountants were appointed as the Auditors of the Company for a term of 5 (five) consecutive years, at the AGM of the Company held on September 27, 2016 and September 26, 2017, respectively. The Company has received letters from M/s. Pathak H.D. & Associates, Chartered Accountants that they are not disqualified from continuing as the Auditors of the Company. M/s. B S R & Co. LLP, Chartered Accountants vide its letter dated August 9, 2019 have resigned as one of the Statutory Auditors of the Company w.e.f. August 9, 2019.

The Auditors in their report to the members have given a qualified opinion and the response of the Board with respect to it as follows:

1. The Company has received opinions from reputed legal and accounting firms stating that the clarification issued and observation inter alia made regarding method of estimating depreciation adopted for preparing standalone financial statements of the subsidiaries and for preparing consolidated financial statements by Ind AS Transition Facilitation Group (ITFG) of Ind AS Implementation Committee of the Institute of the Chartered Accountants of India (the ICAI) will not be applicable to it, as the Company has been following different methods of depreciation in subsidiaries and in Consolidated Financial Statements since inception and as required by Ind AS 101 read with Ind AS 16 has continued the methods of providing depreciation even under Ind AS regime. The Parent Company accordingly continued to provide depreciation in its Consolidated Financial Statements by straight line method, which is different as compared to the written down value method considered appropriate by two of its subsidiaries.
2. The Company has taken inter-corporate deposits from certain companies aggregating to ₹ 38,456 Lakhs during the year ended March 31, 2019. The Company does not have any influence on the directors and/ or its operations of the said companies hence has not considered these as related party transactions. However, in view of the qualificatory remark, Audit Committee at its meeting held on June 08, 2019 has out of abundant caution and in compliance with the highest standards of corporate governance considered and ratified the transactions.

### Cost Auditors

Pursuant to the provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors have appointed M/s. V. J. Talati & Co., Cost Accountants, as the Cost Auditors in respect of its 45 MW Wind Farm Power Project at Vashpet, Dist. Sangli, Maharashtra, for the financial year ending March 31, 2020, subject to the remuneration being ratified by the shareholders at the ensuing AGM of the Company.

### Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

### Secretarial Audit & Secretarial Compliance Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Ajay Kumar & Co., Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. There is no qualification, reservations or adverse remarks in their Secretarial Audit Report.

The Report of the Secretarial Auditor is attached herewith as Annexure – B.

Pursuant to circular No.CIR/CFD/CMD1/27/2019 dated February 08, 2019, issued by the Securities and Exchange Board of India ('SEBI'), the Company has obtained Secretarial Compliance Report, from Practicing Company Secretaries on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder and the copy of the same has been submitted with the Stock Exchanges within the prescribed due date.

### Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2017-18 and 2018-19 is uploaded on the Company's website and can be accessed at <http://www.reliancepower.co.in>.

## Directors' Report

### Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report, which forms part of this report.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended are also forms part of this Annual Report.

However, having regard to the provisions of first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information, is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11:00 A.M. and 1:00 P.M. upto the date of meeting. Any member interested in obtaining the same may write to the Company Secretary and same will be furnished on request.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required to be disclosed in terms of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are given in Annexure – C forming part of this Report.

### Corporate Governance

The Company has adopted 'Reliance Group-Corporate Governance Policies and Code of Conduct', which sets out the systems, processes and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in a separate section forming part of this Annual Report.

A certificate from the practising Company Secretary M/s. Ajay Kumar and Co., conforming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V to the Listing Regulations is enclosed to this Report.

### Whistle Blower (Vigil Mechanism)

In accordance with Section 177 of the Act and the Listing Regulations, the Company has formulated a Vigil Mechanism to address the genuine concerns, if any, of the Directors and employees. The details of the same have been stated in the Corporate Governance Report and the policy can also be accessed on the Company's website <http://www.reliancepower.co.in>.

### Risk Management

The Company continues to have a Risk Management Committee consisting of majority of Directors and Senior Managerial Personnel. The details of the Committee and its terms of reference etc. are set out in the Corporate Governance Report forming part of this Report.

The Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities.

This framework seeks to create transparency, minimize adverse impact on the business objectives and enhances the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risk trend, exposure and potential impact analysis at a Company level as also separately for business segment. The risks are assessed

for each project and mitigation measures are initiated both at the project as well as the corporate level. More details on Risk Management indicating development and implementation of Risk Management policy including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

### Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy, which provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year under review, no such complaint has been received. The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company.

The CSR policy may be accessed on the Company's website at the link <http://www.reliancepower.co.in/web/reliance-power/corporate-governance>.

As on March 31, 2019, the CSR Committee of the Board consists of Smt. Rashna Khan as Chairperson, Shri Sateesh Seth, Shri K. Ravikumar, Shri D. J. Kakalia and Shri K. Raja Gopal, Directors as the members. Shri Sateesh Seth ceased to be member of the CSR Committee with effect from June 7, 2019.

The disclosures with respect to CSR activities forming part of this report is given as Annexure – D.

### Orders, if any, passed by Regulators or Courts or Tribunals

No orders have been passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its operations.

### Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls with reference to financial statement across the organization. The same is subject to review periodically by the Internal Audit Cell for its effectiveness. During the financial year, such controls were tested and no reportable material weaknesses in the design or operations were observed.

### Business Responsibility Report

Business Responsibility Report for the year under review as stipulated under Listing Regulations is presented in a separate section forming part of this Annual Report.

### Acknowledgements

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**For and on behalf of the Board of Directors**

**Anil Dhirubhai Ambani  
Chairman**

Mumbai  
August 30, 2019

## Policy on Appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

Following is the summary of the policy as approved by the Nomination and Remuneration Committee (NRC) of the Board:

### 1. Introduction

- 1.1 The Company considers human resources as an invaluable asset. The policy is intended to harmonize the aspirations of the directors / employees with the goals and objectives of the Company;
- 1.2 As part of a progressive HR philosophy, it is imperative for the Company to have a comprehensive compensation policy which has been synchronized with the industry trends and is also employee friendly.

### 2. Objectives

- 2.1 Broad objective is to attract and retain high performing resources.
- 2.2 The remuneration policy aims at achieving the following specific objectives:
  - 2.2.1 To attract highly competent human resources to sustain and grow the Company's business;
  - 2.2.2 To build a performance culture by aligning performance of individuals with the business objectives of the Company;
  - 2.2.3 To ensure that annual compensation review considers Industry/business outlook and strategies adopted by industry peers, differentiates employees based on their performance and also adequately protects employees, especially those in junior cadres, against inflationary pressures;
  - 2.2.4 To retain high performers at all levels and those who are playing critical roles in the Company.

### 3. Scope and Coverage

In accordance with the provisions of the Companies Act, 2013, (the 'Act'), the NRC of the Board has been constituted, inter-alia, to recommend to the Board the appointment and remuneration of Directors, KMPs and persons belonging to the Senior Management cadre.

### 4. Definitions

- 4.1 'Director' means a director appointed to the Board of the Company.
- 4.2 'Key Managerial Personnel' in relation to the Company means -
  - i) the Chief Executive Officer or the Managing Director or the Manager
  - ii) the Company Secretary
  - iii) the Whole-time Director
  - iv) the Chief Financial Officer; and
  - v) such other officer as may be prescribed under the Act.
- 4.3 'Senior Management' refers to the personnel of the Company who are members of its core management team excluding the Board of Directors and comprises of all the members of the Management, one level below the Executive Director, if any.

### 5. Policy

- 5.1 Remuneration i.e. Cost-to-Company (CTC) shall comprise of two broad components; fixed and variable.
- 5.2 Fixed portion comprises of Base pay and Choice pay components.
- 5.3 Variable pay termed as Performance Linked Incentive (PLI) comprises of a pre-determined maximum amount that can be paid as % at the end of the performance year based on the composite score achieved during the relevant performance year.
- 5.4 Performance Year shall be from 1<sup>st</sup> April to 31<sup>st</sup> March.
- 5.5 PLI is based on the following dimensions with indicated weightages for computing the Composite score based on:
  - (a) Individual performance rating;
  - (b) Function/Project Annual Operating Plan (AOP) achievement rating;
  - (c) Company AOP achievement rating; and
  - (d) Group performance on identified parameters.

### 6. Payout Mechanism

- 6.1 Fixed pay gets paid on a monthly basis, net of retivals and taxes.
- 6.2 Retirals are 12% of basic pay for Provident Fund and 4.81% of basic pay towards Gratuity.
- 6.3 All payments are made with TDS implemented.

### 7. Annual Compensation Review

The compensation review year will be from 1<sup>st</sup> April to 31<sup>st</sup> March. The annual compensation review, as part of the Performance Management System (PMS) cycle, shall be guided by:

- 7.1 Industry/business outlook;
- 7.2 Strategies adopted by industry peers;
- 7.3 Employee differentiation based on individual performance rating (achieved during the applicable performance year); and
- 7.4 Protection of employees, especially those in junior cadres against inflationary pressures.

### 8. Retention Features as part of Compensation Package

- 8.1 Based on the organizational need for retaining high performing employees and also those who are playing critical roles from time to time, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonus, Special Monetary Programs, Long-term Incentives, etc.
- 8.2 While attracting talent in critical positions also, such retention features could be incorporated as part of the compensation package.

### 9. Modifications / Amendments / Interpretation

The policy is subject to modifications, amendments and alterations by the Management at any time without assigning any reason or without giving any prior intimation to the employees. In case of any ambiguity, the interpretation provided by the Corporate HR team shall be final.



### Form No. MR- 3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Reliance Power Limited  
H Block 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai - 400710

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Power Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of applicability to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the audit period) and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other laws specifically applicable to the Company:-
  - (a) The Electricity Act, 2003 and the rules made thereunder

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**Directors' Report**

I further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the directors at the meetings.
- (iii) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of Board of Directors or the Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:

- (i) The Company has passed Special Resolution by Postal ballot notice dated 28.02.2018 for issue of securities through Qualified Institutions Placement on a Private Placement basis to the Qualified Institutional Buyers ("QIBs"). The results for the said notice were declared on 03.04.2018.
- (ii) Shri N. Venugopala Rao has superannuated from the office of Whole Time Director (WTD) w.e.f. 30.06.2018. He has also relinquished the office of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the company w.e.f. 01.05.2018.
- (iii) Shri K. Raja Gopal was appointed as Additional Director and also as Whole Time Director (WTD) for 3 years w.e.f. 01.07.2018 at the Board Meeting held on 13.04.2018. He was also appointed as Chief Executive Officer (CEO) w.e.f. 02.05.2018 at the same meeting. His appointment as Director, WTD and CEO was approved by passing Special Resolution at the Annual General Meeting held on 18.09.2018.
- (iv) Shri Shrenik Vaishnav was appointed as Chief Financial Officer (CFO) with effect from 02.05.2018 at the Board Meeting held on 13.04.2018.
- (v) The Company has passed Special Resolution under Section 42 and 71 of Companies Act, 2013 at the Annual General Meeting held on 18.09.2018 authorising Board of Directors for Private Placement of Non-Convertible Debentures subject to such overall borrowing limits of the Company as may be approved by the Members from time to time.

**Signature:**  
**Ajay Kumar**  
**Ajay Kumar & Co.**  
**FCS No. 3399**  
**C.P. No. 2944**

May 23, 2019  
Mumbai

### Disclosure under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014

#### A. Conservation of energy

##### i. The steps taken or impact on conservation of energy

The Company has specified the energy consumption standards for the equipment used which consumes, generates, transmits or supplies energy. Labels on equipment are maintained to indicate the extent of conservation of energy. The measures have helped in improving the overall energy efficiency.

##### ii. The steps taken by the Company for utilizing alternate sources of energy

The Company has a Wind Farm with 45 MW capacity, located at Vashpet in District Sangli, Maharashtra. Since the project uses the renewable wind energy towards generation of electricity, utilization of no other alternative sources of energy was explored.

##### iii. The capital investment on energy conservation equipments

No additional investment was made for the above purpose.

#### B. Technology absorption

##### i. The efforts made towards technology absorption: None

##### ii. The benefits derived like product improvement, cost reduction, product development or import substitution: N.A.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.

a. the details of technology imported.

b. the year of import.

c. whether the technology have been fully absorbed.

d. if not fully absorbed, areas where absorption has not taken place and the reasons thereof.

Wind Turbines installed as part of wind farm are sourced from an Indian entity which in-turn sourced critical components from overseas locations, mainly Europe. No efforts were required to be made made to absorb the technology.

##### iv. The expenditure incurred on Research and Development: No cost was incurred towards Research and Development.

#### C. Foreign Exchange earnings and outgo

Total Foreign Exchange earnings : Nil

Total Foreign Exchange outgo : ₹ 21 lakhs



**Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2018-19****1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

The Company has a robust CSR Policy at group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our Country.

The Company as a responsible corporate entity endeavours to transform lives to help build more capable and vibrant communities by integrating CSR with its business values and strengths. Based on its guiding philosophy, the Company has formulated on a consolidated basis, a policy for social development with a thrust in the areas of healthcare, education, sanitation, environment sustainability and rural transformation.

Committed to transform and nurture the ecosphere through its flagship programme in the healthcare segment, the Company has been focusing on setting up oncology centres for cancer treatment in Maharashtra. Our CSR policy is placed on our website at the link: [http://www.reliancepower.co.in/pdf/CSR\\_Policy.pdf](http://www.reliancepower.co.in/pdf/CSR_Policy.pdf).

**2. Composition of the CSR Committee**

|                               |   |
|-------------------------------|---|
| Smt. Rashna Khan, Chairperson | Independent Director                                |
| Shri K. Ravikumar             | Independent Director                                |
| Shri D. J. Kakalia            | Independent Director                                |
| Shri Sateesh Seth@            | Non-Independent Director and Non-executive Director |
| Shri K. Raja Gopal*           | Whole-time Director                                 |

@ ceased to be the member of the CSR Committee w.e.f. June 07, 2019

\*appointed as member of the CSR Committee w.e.f. July 21, 2018

**3. Average net profit of the Company for last three financial years: ₹ 63.88 Crore**

Note: Average net profit has been computed in the manner laid down in Rule 2 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

The Company is required to spend ₹ 1.28 crore towards CSR.

**5. Details of CSR spent during the financial year**

- Total amount spent for the financial year: ₹ 1.28 crore
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below:

(₹ in crore)

| 1. | 2.  | 3.   | 4.   | 5.  | 6.   | 7.  | 8.  |
|----|---|--|--|---|--|---|---|
| SN | CSR Projects or activities identified   | Sector in which the project is covered                       | Project or program<br>(1) Local area of other<br>(2) Specify the state and district where projects or program was undertaken | Amount outlay (Budget) project or programs wise | Amount spent on the project or programs<br>(1) Direct expenditure on projects or programs<br>(2) Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1. | During the year 2018-19 the Company has taken up the CSR initiatives of Rural transformation in a total of 17 villages which are located in the vicinity of the Sasan UMPP (Ultra Mega Power Plant) which is being operated by the Company's wholly owned subsidiary, Sasan Power Limited. Major Initiatives include rural development, livelihood enhancement projects, development of vocational skills for women and youth, promoting preventive health care, etc. | Education, Environment & Sanitation (Swachh Bharat Abhiyan). | District: Singrauli, Madhya Pradesh.   | 1.28  | 1.28   | 1.28  | Direct Intervention                                 |

## Directors' Report

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount in its Board report.

Not Applicable

7. A Responsibility Statement of the CSR Committee that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policy of the company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

**K. Raja Gopal**  
**Whole-time Director**

**Rashna Khan**  
**Chairperson**

August 12, 2019

## Dividend Distribution Policy

### 1. Introduction

The Board of Directors (the Board) of Reliance Power Limited (the Company) at its meeting held on September 12, 2016, has adopted this Dividend Distribution Policy (the Policy) in accordance with the Companies Act, 2013 (the Act) and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### 2. Objective

The Objective of this Policy is to establish the parameters to be considered by the Board of the Company before declaring or recommending dividend.

### 3. Circumstances under which the shareholders of the listed entities may or may not expect dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits.
- v. In the event of any regulation or contractual restriction.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as prevailing regulatory and financial environment.

In such event, the Board will provide rationale in the Annual Report.

### 4. Parameters to be considered before recommending dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the AGM of the shareholders, as may be permitted by the Act. The Board may also declare interim dividends as may be permitted by the Act. The Company aims to appropriately rewarding shareholders through dividends and to support the future growth.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in the business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

#### 4.1 External Factors:

State of Economy: In case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

#### 4.2 Internal Factors:

Considering the fact that the Company's projects have been set up substantially through its wholly owned subsidiary companies, the Company's capacity to pay dividend on standalone basis is dependent in turn on the performance of the subsidiary companies, their cash flow position, their capacity to declare dividend to the parent company having regard to their need to seek approvals from the banks / financial institutions which have part funded the projects as per loan covenants.

In addition to the above, the Board will take into account various internal factors while declaring Dividend, which inter alia will include:

- Income / Profits earned during the year;
- Present and future capital requirements of the existing businesses;
- Brand/ Business Acquisitions;
- Expansion/ Modernization of existing businesses;
- Additional investments in subsidiaries/associates of the Company;
- Fresh investments into external businesses;
- Any other factors as deemed fit by the Board.

### 5. Utilization of retained earnings

The Company shall endeavour to utilize retained earnings in following manner:

- For expansion and growth of business;
- Additional investments in existing businesses;
- Declaration of Dividend;
- General Corporate Purpose; and
- Any other specific purpose as may be approved by the Board.

### 6. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. Equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other class of share.

### 7. Review

This Policy will be reviewed periodically by the Board.

### 8. Limitation and amendment

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing Regulations shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, in this regard, shall automatically apply to this policy.

# Reliance Power Limited

## Management Discussion and Analysis

### Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include cost of fuel, determination of tariff and such other charges and levies by the regulatory authority, changes in Government regulations, tax laws, economic developments and such other factors.

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Companies (Indian Accounting Standards) (Ind AS) Rules, 2015, which have been notified by the Central Government on February 16, 2015. The Management of Reliance Power Limited ("Reliance Power" or "the Company") has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit/(loss) for the year.

The following discussions on our financial condition and results of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance" or "Reliance Power" are to Reliance Power Limited and/or its subsidiary companies.

### Indian Power Sector

Power sector in India, particularly the generation side of the ecosystem has seen a visible shift with growing contribution from renewable sources in the overall generation basket. Globally, India now stands at No.5 in terms of total renewable energy capacity, behind only to China, U.K, Germany and USA. However, the pace of renewable capacity addition has slowed down YoY and has significantly lagged the target of 21.8 GW for FY 2018 -19. Although the competitiveness of renewable energy has improved significantly in the last 5 years, however, owing to its inherent inability to cater the base load, coal based thermal plants continue to remain the mainstay in India with nearly 57 percent share in the net installed capacity of 356.1 GW.

Policy initiatives taken by the Government to address the issues impacting the power sector such as availability of coal, financial condition of Distribution Companies (DISCOMs), implementation of UDAY with focus on improvement in AT&C losses of the DISCOMs and reduction in revenue gap between Average Cost of Supply (ACS) and Average Revenue Realized (ARR), are expected to help revival of investment sentiment in the power sector in the medium term.

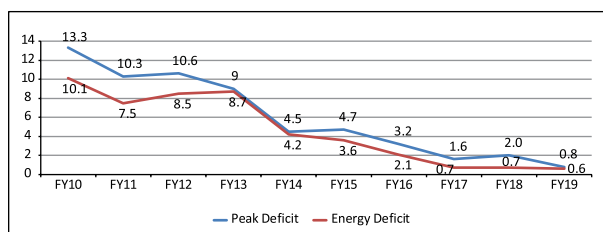
### Demand and supply outlook

On the demand side India's per capita power consumption is at ~1150 kWh/ year, which is about one-third of the world's

average ~3400 kWh/ year consumption. There is considerable unmet demand, which is expected to be driven by growing population along with increasing electrification, per-capita consumption and expansion in industrial activities.

FY 2018 - 19 saw robust growth and peak power demand grew by 8 percent to 177 GW and demand growth in energy terms was 5 percent. The Government initiative of power to all households has almost achieved its target. The buoyancy in electricity demand was met by higher generation by thermal plants and nearly 25% jump in generation from renewable source, which led to the peak deficit decreasing to 0.8% from 2% in FY 2017-18.

The following graph highlights the narrowing of the gap between peak demand and supply of power.



Source: CEA

### Key risks and concerns

Power sector is a highly capital intensive business with long gestation periods before commencement of revenue streams, especially for projects using conventional technology. Coal-based power projects have average development and construction period of 7 to 8 years and an even longer operating period (over 25 years). Since the most of the projects have such a long time frame, there are certain inherent risks in both, internal and external environment. The Company monitors the external environment and manages its internal environment to mitigate the concerns on a continuous basis. Some of the key areas that need continuous monitoring within the sector are:

#### 1. Weak financial condition of electricity distribution Companies

The financial health of electricity DISCOMs is an area of key concern threatening the very viability of the power sector. DISCOMs are the weakest link in the electricity supply chain and have been suffering on account of operational inefficiencies; inadequate investments in distribution network as well as lack of timely and adequate tariff revisions to help recover costs.

Recognizing the difficulties faced by the DISCOMs, the Government has come out with a set of comprehensive measures under UDAY to help utilities achieve operational and financial turnaround. Effective implementation of the UDAY scheme has started yielding favorable results in terms of lower AT&C losses, reduced gap between ACS and ARR (Cost and Tariff rate) and improved operational efficiency of DISCOMs. Additionally, efforts from Energy Efficiency Services (EESL) to replace 250 million conventional meters with smart meters in next 2 to 3 years can improve billing efficiency, leading to higher revenue realisation by DISCOMs. The turnaround of DISCOMs will help generating companies in mitigating counter party risks both in terms of payment security and increased demand for power.

## Management Discussion and Analysis

### 2. Power Demand and Plant Load Factor (PLF) of Thermal Power Plants

Power demand in India has grown at a CAGR of more than 5 percent in last 5 years. Growth in electricity demand has been met by rapid capacity addition of thermal projects, which has taken place in the last five years. However, rapid addition of renewable capacity in the last two years and lower than envisaged growth in demand for electricity, has led to lower PLF of thermal power plants. National Electricity Plan (NEP) of the Central Electricity Authority (the CEA) estimates that the PLF of coal based stations is likely to come down to around 56.5 percent by FY 2021-22, taking into considerations likely demand growth of 6.34 percent (CAGR) and 175 GW capacity from renewable energy sources. However, the thermal based power plants would continue to remain the mainstay for meeting the base load requirements considering the intermittent nature of supply from renewable sources.

### 3. Gas - Continuing supply deficit

Viability of existing as well as newly developed gas-based power plants, aggregating to nearly 24 GW capacity, is adversely impacted due to lack of adequate domestic gas supply in the country. This industry-wide issue, which has led to practically entire gas-based capacity in the country getting stranded, continues to await a long-term resolution.

### 4. Implementation of New Environment (Protection) Norms

With notification of the Environment (Protection) Amendment Rules, 2015, all coal-based power plants are required to meet the revised emission standards within the stipulated period. For complying with the new environment norms, the developers would need to undertake additional capital expenditure. In order to facilitate the smooth implementation of the same, the Ministry of Power (the MOP) vide its letter dated May 30, 2018 has issued directions to the CERC and other State regulators to consider the revised emission standards as Change in Law (CIL) and accordingly devise an appropriate regulatory mechanism to address the impact on tariff. In the present sector context, banks and financial institutions are not forthcoming to finance the additional capital expenditure arising from implementation of new environment norms. Certainty in cost recovery on account of additional capital and operational cost under concluded long-term and medium-term PPAs will hold key to timely completion of additional capital expenditure.

**Sasan Power is the most competitive power supplier for all its procurers and has a strong payment security mechanism mitigating risks relating to demand and weak financial condition of distribution companies. Further it has a captive coal mine which provides complete fuel security. Rosa operates under Section 62 and has a three tier payment mechanism mitigating demand & payment related risks. Rosa has always achieved higher fuel supply materialisation and has recorded more than normative availability. Vidharbha operating under Section 62 has recently secured coal for the balance 300 MW through SHAKTI auction – thus mitigating coal supply related risks. All the thermal projects in the Company's portfolio have started implementing projects to comply with new environmental norms. In addition, renewable portfolio is fully contracted thus mitigating demand risks.**

**As brought out above, your Company's operating portfolio is significantly insulated from sector specific risks.**

### Internal Financial Control and Systems

The Company has put in place internal control systems and processes which are commensurate with its size and scale of its operations. The system has control processes designed to take care of various control and audit requirements. The Company has a robust Internal Audit function which oversees the implementation and adherence to various systems and processes. The internal audit function reviews and ensures the sustained effectiveness of Internal Financial Controls designed by the Company. The internal audit team is supported by the reputed audit firms to undertake the exercise of Internal Audit at various project locations. The report of the Internal Auditors is placed at the Audit Committee of the Board and the improvements in systems and processes are carried out where necessary.

### Risk Management Framework

The Company has also put in place a Risk Management Framework, both at the corporate as well as at the project level, which provides a process of identifying, assessing, monitoring, reporting and mitigating various risks at all levels, at periodic intervals. The Risk Management process is supervised by the Risk Management Committee of the Board. The said Committee has been continued having regard to its usefulness although it is not a mandatory requirement pursuant to the Listing Regulations. The Committee undertakes a review of the risks as well as the status of the mitigation plans.

### Discussion on Operations of the Company

The Company is in the business of setting up and operating power projects and development of coal mines associated with such projects. The Company has built a portfolio of power projects and coal mines. Of the power projects in its portfolio, the projects aggregating to ~ 5945 MW are operational while the other power projects are under various stages of development.

#### i. Sasan Ultra Mega Power Project, 3,960 MW pithead coal-based Project in Madhya Pradesh

The 3,960 MW Sasan Ultra Mega Power Project (the Sasan UMPP), the world's largest integrated power plant cum coal mine continued to deliver strong operating performance among the peers, with a generation of ~32900 million units at the highest ever PLF of ~95% in its fourth year of operations. Coal production from its captive coal mines was 18 Million Metric Tons during the year, which is the highest among the private sector players in India including overburden handled at 81.2 Million CuM, total volume handled at Sasan Coal Mine during the year is ~93.2 Million CuM, making it the largest coal mine in the Country in terms of the volume handled. The power generated from the Sasan UMPP is sold to 14 Discoms across 7 States under a 25 year long-term PPA.

#### ii. Rosa, 1,200 MW coal-based power project in Uttar Pradesh

The Rosa power plant completed another year with excellent operational and financial performance. In its 7<sup>th</sup> year of full operations, the plant generated 4341 MUs of electricity. The entire electricity generated from the project is sold to the State of Uttar Pradesh under a cost-plus regulated PPA.

## Management Discussion and Analysis

### iii. **Butibori, 600 MW coal-based power project in Maharashtra**

The 600 MW Butibori power plant in Nagpur, Maharashtra is supplying power under a long-term PPA, approved by the Maharashtra Electricity Regulatory Commission (the MERC), to Adani Electricity Mumbai Limited (AEML) and generated 2213 MUs of electricity during FY 2018 – 19. Lack of linkage coal supply for Unit 1 has affected the plant availability and generation during the year.

### iv. **Vashpet, 45 MW wind farm in Maharashtra**

The Company has set up a 45 MW Wind Farm in Sangli District of Maharashtra. During FY 2018 – 19, the project generated 70 MUs of electricity.

### v. **Dhursar, 40 MW Solar Photovoltaic (PV) power project in Rajasthan**

Dhursar Solar Power Private Limited (DSPPL) has set up a 40 MW Solar PV Plant in Jaisalmer district of Rajasthan. Electricity from this project is sold under a PPA for a period of 25 years. During FY 2018–19, the project generated 68.3 MUs of electricity.

### vi. **100 MW Solar CSP in Rajasthan**

Rajasthan Sun Technique Energy Private Limited (RSTEPL), a wholly-owned subsidiary, has commissioned the 100 MW Concentrated Solar Power Project (CSP) in Jaisalmer, Rajasthan in FY 2014 – 15. During FY 2018 – 19, project generated 89 MUs of electricity.

### vii. **Krishnapatnam Ultra Mega Power Project (the Krishnapatnam UMPP), 3,960 MW imported coal-based Project in Andhra Pradesh**

Coastal Andhra Power Limited (CAPL), a wholly owned subsidiary of the Company is responsible for development of the Krishnapatnam UMPP. The Project has been facing viability challenges consequent upon changes in the regulations in Indonesia from where coal was intended to be imported for the Project. As the issue could not be resolved through mutual discussions with Procurers and Procurers issued notice of PPA termination & demanded liquidated damages, the Company sought to initiate arbitration and approached Hon'ble Delhi High Court for interim injunction against the Procurers. The said petition was dismissed by the Single Judge in July 2012. CAPL filed an appeal against the same. The Division Bench of Hon'ble Delhi High Court dismissed the appeal on January 15, 2019 and upheld the order of the Single Judge. Following the order by Division Bench of Hon'ble Delhi High Court, the Procurers encashed the bank guarantees available with them and recovered ₹ 300 Crore as the liquidated damages. In accordance with the direction of the Hon'ble Delhi High Court, CAPL has filed a petition in CERC. Pursuant to provisions of Share Purchase Agreement for acquisition of CAPL, the Company has approached Power Finance Corporation, the nodal agency which facilitated international competitive bidding for Krishnapatnam UMPP, for buyback of CAPL.

### viii. **3,960 MW coal-based power project in Madhya Pradesh**

Chitrangi Power Private Limited (CPPL), a wholly owned subsidiary of the Company, has plans to develop a 3960 MW coal-based power project in Madhya Pradesh. The Company intends to sell the power generated from this project through long-term contracts.

### ix. **Samalkot Power Project (SMPL)**

The Parent Company, had entered into a Memorandum of Understanding (MOU) with the Government of Bangladesh (GoB) for developing a gas-based project of a 3000 MW capacity in a phased manner. Pursuant to the above, Reliance Bangladesh LNG and Power Limited (RBLPL), subsidiary of the Parent Company has taken steps to conclude a long-term PPA for supply of 718 MW (net) power from a combined cycle gas-based power plant to be set up at Meghnaghat near Dhaka in Bangladesh (Phase-1). In this regard, a letter of intent has been issued by Bangladesh Power Development Board to the Parent Company on July 26, 2017.

SMPL will sell one module of world-class equipment procured from internationally reputed original equipment manufacturers, for its combined cycle power project in India; for development of the Phase-1 project in Bangladesh.

### x. **Hydroelectric Power Projects**

The Company is developing various hydroelectric power projects, aggregating to 3438 MW capacity, located in Arunachal Pradesh, Himachal Pradesh and Uttarakhand. These projects are in different stages of development. Hydroelectric power projects by nature have long gestation periods and require clearances from various authorities before commencement of construction activities. Some of these projects have achieved significant milestones and are likely to be developed in the next few years. The agreements signed with Government of Arunachal Pradesh for development of three hydroelectric projects in Arunachal Pradesh, aggregating to 1320 MW capacity, stand closed.

### **Coal Mines**

The Company has been allocated coal mines in India along with the UMPP. The Moher and Moher Amlohri Extension coal block, a captive coal block allocated to Sasan Power Limited (SPL), is fully operational

During the year 2015–16, the Government of India cancelled the allocation of Chhatrasal Coal Block to SPL and restricted annual coal production from Moher and Moher Amlohri Extension coal mine to 16 Million Metric Tonnes. Based on representations of SPL and recommendations made by Inter Ministerial Committee (IMC), the Ministry of Coal (MoC) has relaxed the restriction and allowed to produce 18 Million Metric Tonnes of coal during FY 2017–18 and FY 2018–19. The Company has challenged the above directions of the MoC in Hon'ble High Court of Delhi by way of a Writ Petition, which is pending.

The Company also has coal mine concessions in Indonesia.

### **Coal Bed Methane (CBM) Blocks**

The Company has stakes in four Coal Bed Methane (CBM) blocks. Drilling and production testing work of exploration phase – I has been completed in one of the CBM blocks. Other three blocks have since been relinquished.

### **Health, safety and environment and Corporate Social Responsibility (CSR)**

The Company attaches utmost importance to the operational safety standards at all its installations. Necessary proactive and preventive measures are regularly undertaken to ensure that the standards are followed for the safety of employees and equipment. Both external and internal safety audits, as well as



## Management Discussion and Analysis

mock drills are conducted time to time to gauge emergency and crisis management preparedness.

Corporate Social Responsibility has always been an integral part of Reliance Group's vision. The Company firmly believes in the commitment to all its stakeholders. Special emphasis is laid on empowering local communities around all the business units. The Company undertakes social interventions in the field of Healthcare, Education, Rural Transformation, Swachh Bharat Abhiyan and Environment. The programmes are designed after identifying the needs of the community and are integrated into the annual operating business plans with measurable goals. Our CSR programmes have received numerous awards and accolades over the years from renowned organizations like FICCI, World CSR Congress, Bombay Chambers of Commerce & Industry (BCCI), India CSR and The CSR Journal.

## Human Resources

The Company strongly believes its employees are the most valuable asset and the strategic differentiator. With this focus in mind, Reliance Power has taken various initiatives towards aligning its HR processes with its business strategy. Our endeavour is to provide a work environment where continuous learning and development takes place to meet the changing demands and priorities of the business.

The Company has a rich blend of millennial and experienced employees. We have 1614 highly trained and experienced professionals pan India. We take immense pride in the technical and functional excellence of our employees. To set the highest benchmarks of operational excellence, the company has also engaged expatriates who are subject matter experts in critical areas like coal mining, etc.

We impart much importance to learning and development of our employees. Our well laid down career progression plans help in seamless transfer of knowledge to the younger generation and shape them as future leaders.

## Discussion on Financial Condition and Financial Performance

An extract of the Consolidated Balance Sheet is placed below:

| ₹ in lakhs                               |                  |                       |
|--|------------------|-----------------------|
| Particulars                              | 2018-19          | 2017-18<br>(Restated) |
| <b>Assets</b>                            |                  |                       |
| Property, Plant and Equipment            | 35,85,180        | 34,82,696             |
| Capital-work-in-progress                 | 4,27,638         | 6,91,283              |
| Goodwill on consolidation                | 1,411            | 1,411                 |
| Other intangible assets                  | 3,704            | 3,947                 |
| Non-current tax assets                   | 5,290            | 3,594                 |
| Non-current financial assets             | 10,05,074        | 10,23,794             |
| Other Non Current Assets                 | 1,70,459         | 1,98,185              |
| Inventory                                | 1,01,172         | 72,898                |
| Current financial Assets                 | 4,77,257         | 7,13,416              |
| Other Current Assets                     | 17,499           | 13,426                |
| Assets classified as held for sale       | 13,156           | 12,744                |
| <b>Total</b>                             | <b>58,07,840</b> | <b>62,17,394</b>      |
| <b>Equity and Liabilities</b>            |                  |                       |
| Equity                                   | 17,37,747        | 21,23,496             |
| Non-current Borrowings                   | 18,09,097        | 24,20,120             |
| Other non-current financial liabilities  | 16,194           | 12,454                |
| Other Non Current Liabilities and others | 4,23,957         | 4,32,938              |
| Current Liabilities                      | 18,20,845        | 12,28,385             |
| Liabilities classified as held for sale  | -                | 1                     |
| <b>Total</b>                             | <b>58,07,840</b> | <b>62,17,394</b>      |

## Financial Performance

An extract of the Consolidated Profit and Loss Account Statement is placed below:

| ₹ in lakhs   |                   |                       |
|--|-------------------|-----------------------|
| Particulars  | 2018-19           | 2017-18<br>(Restated) |
| <b>Income</b>  |                   |                       |
| Revenue from operations                                | 8,20,131          | 9,59,273              |
| Other Income   | 33,295            | 27,828                |
| <b>Total</b>   | <b>8,53,426</b>   | <b>9,87,101</b>       |
| <b>Expenditure</b>                                     |                   |                       |
| Cost of Fuel consumed                                  | 2,85,013          | 3,98,520              |
| Employee Benefit Expenses                              | 18,650            | 18,652                |
| Generation, Administration & Other Expenses            | 1,23,505          | 1,03,505              |
| Depreciation / Amortization                            | 83,908            | 75,882                |
| Finance Cost   | 3,20,849          | 2,92,597              |
| <b>Total</b>   | <b>8,31,925</b>   | <b>8,89,156</b>       |
| Profit before exceptional Items                        | 21,501            | 97,945                |
| Exceptional Items                                      | (3,15,317)        | -                     |
| Profit/(Loss) before Tax from continuing operations    | (2,93,816)        | 97,945                |
| Profit/(Loss) before Tax from discontinuing operations | 412               | 480                   |
| <b>Profit/(Loss) before Tax</b>                        | <b>(2,93,404)</b> | <b>98,425</b>         |
| Taxes (Continuing operations)                          | 1,775             | 14,375                |
| Taxes (Discontinuing operations)                       | 3                 | 5                     |
| <b>Total Taxes</b>                                     | <b>1,778</b>      | <b>14,380</b>         |
| Profit/(Loss) after Taxes                              | (2,95,182)        | 84,045                |
| EPS (₹) (basic and diluted)                            | (10.523)          | 2.996                 |

## Financial Ratios

| Particulars  | 2018-19 | 2017-18 |
|--|---------|---------|
| (i) Debtors Turnover Ratio (Days)**  | 121.86  | 94.28   |
| (ii) Interest Coverage Ratio (without exceptional items) #                       | 1.07    | 1.33    |
| (iii) Interest Coverage Ratio (with exceptional items) #                         | 0.08    | 1.33    |
| (iv) Current Ratio **  | 0.33    | 0.65    |
| (v) Net Debt to Equity Ratio*  | 1.72    | 1.44    |
| (vi) Operating Profit Margin (%)   | 47.91   | 45.72   |
| (vii) Net Profit Margin (%) or sector specific equivalent ratios, as applicable. | (34.59) | 8.51    |

Explanation:

\*\*Debtor Turnover Ratio (Days) – Increased primarily on account of delayed realisation in one of our SPVs due to delayed regulatory pronouncements

# Interest Coverage Ratio – Reduced due to lower operating income from operating assets

## Current Ratio – Current Ratio was lower due to classification of certain long-term loans as current and impairment of loans & advances

\*Net Debt to Equity Ratio – Increased due to impairment charged to general reserve

# Reliance Power Limited

## Business Responsibility Report

### Section A: General Information about Company

|    |  |   |
|----|--|---|
| 1  | Corporate Identity Number                        | L40101MH1995PLC084687   |
| 2  | Name of the Company                              | Reliance Power Limited  |
| 3  | Registered Address                               | Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001      |
| 4  | Website  | www.reliancepower.co.in   |
| 5  | Email  | reliancepower.investors@relianceada.com   |
| 6  | Financial Year Reported                          | 2018-19   |
| 7  | Sectors engaged in                               | Code 51 – Electric power generation<br>Code 351 – Mining of hard coal<br>Code XXX – CBM Blocks. |
| 8  | Key products / services company manufacturers    | Electricity generation, coal mining for captive power plant and development of CBM blocks.      |
| 9  | Number of locations where business is undertaken |   |
|    | i. International locations –2                    |   |
|    | ii. National locations –7                        |   |
| 10 | Markets served by the company                    | Throughout India through its subsidiaries   |

### Section B: Financial Details of the Company (₹ in Crores)

|    |   |                             |
|----|---|-----------------------------|
| 1  | Paid-up Capital (INR)   | 2,805 (On Standalone basis) |
| 2  | Total Income (INR)  | 8,534.26 (Consolidated)     |
| 3  | Total Loss after taxes (INR)  | (2,951.82) (Consolidated)   |
| 4  | Total Spending on CSR as % profit after tax   | 2 percent                   |
| 5  | List of activities in which CSR expenses incurred   |                             |
| a. | During the year 2018-19 the Company has taken up the CSR initiatives of Rural transformation in a total of 17 villages which are located in the vicinity of the Sasan UMPP (Ultra Mega Power Plant) which is being operated by the Company's wholly owned subsidiary, Sasan Power Limited. Major Initiatives include rural development, livelihood enhancement projects, development of vocational skills for women and youth, promoting preventive health care, etc. |                             |
| b. | For other activities please refer Section E of Report.  |                             |

### Section C: Other Details

|   |   |   |
|---|---|---|
| 1 | Details on subsidiary companies   | 44 Subsidiary Companies (Both direct and step-down) including overseas subsidiaries as on March 31, 2019  |
| 2 | Participation of subsidiary companies in the Business Responsibility (BR) initiatives of the parent company | Subsidiary companies which have been constituted as SPVs set up for execution of specific projects are involved in BR initiatives at their respective project locations. This is considered appropriate as the projects are being developed by them as subsidiaries of the Company. Subsidiaries participating in BR initiatives include : Rosa Power Supply Company Limited, Sasan Power Limited, Vidarbha Industries Power Limited and Dhursar Solar Power Private Limited. |
| 3 | Participation of other entities (suppliers, contractors etc) in the BR initiatives of the Company           | Reliance Power and its subsidiaries actively encourage other Entities such as (suppliers, contractors) to participate in its BR initiatives.  |

### Section D: BR Information

#### 1. Details of Director / Directors responsible for BR

|    |  |  |
|----|--|--|
| a. | Details of Director/ Directors responsible for implementation of BR policies | BR functions are monitored by the Corporate Social Responsibility Committee of the Board of Directors. The details of the Committee are provided in the Corporate Governance section of this report.   |
| b. | Details of BR Head   | The Board has not assigned responsibilities specifically to any Director to function as the BR head. The CSR committee of the company is under the Chairmanship of Smt. Rashna Khan. Details of Smt. Rashna Khan are as follows:<br>DIN 06928148<br>Name Smt. Rashna Khan<br>Designation Independent Director<br>Telephone 022-4303 1000<br>Email ID reliancepower.investors@relianceada.com |



## Business Responsibility Report

### 2. Principle-wise (as per NVGs) BR policy / policies

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### 3. Principle-wise BR policy – As per National Voluntary Guidelines

| Questions  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 Do you have a policy / policies for  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 2 Has the policy being formulated in consultation with the relevant stakeholders?  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 3 Does the policy conform to any national / international standards? If yes, specify?  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 4 Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?                                     | Y  | Y   | Y   | Y   | Y   | Y   | -   | Y   | Y   |
| 5 Does the company have a specified committee of the Board / Director / Official to oversee the implementation of policy?                                      | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 6 Indicate the link for the policy to be viewed online?  | Code of conduct is available on the Company's website – <a href="http://www.reliancepower.co.in">www.reliancepower.co.in</a>   |     |     |     |     |     |     |     |     |
| 7 Has the policy been formally communicated to all relevant internal and external stakeholders?  | Yes  |     |     |     |     |     |     |     |     |
| 8 Does the company have in-house structure to implement the policy / policies?   | Yes  |     |     |     |     |     |     |     |     |
| 9 Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Yes  |     |     |     |     |     |     |     |     |
| 10 Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?                                   | No Independent evaluation has been done. However, CSR interventions taken by both the parent company as also by its subsidiaries are reviewed and evaluated by the CSR Committees set up both by the parent company and by the subsidiaries in accordance with the provisions of the Companies Act, 2013, in line with the CSR programmes formulated for the respective companies. |     |     |     |     |     |     |     |     |

### 4. Governance related to BR

#### (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Senior Management of the Company reviews BR performance on an on-going basis. Reviews by the Board/ Committees constituted by it are also undertaken.

#### (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it's published?

The Business Responsibility Report (BRR) of the Company is compiled on a consolidated basis to cover the activities of its subsidiaries as well and the same can also be viewed on the website of the company [www.reliancepower.co.in](http://www.reliancepower.co.in).

## Section E: Principle-wise performance

### Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

#### 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, matters of accountability, transparency and ethical conduct are an integral part of the Company's value system. The company's corporate governance principles are anchored on these three elements of its value system. There is a defined set of inter-woven policies and guidelines which are put in place and applicable to both the employees and directors.

## Business Responsibility Report

The policy takes into account the feedbacks and periodic reviews of the guidelines to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and other stakeholders. Apart from the company, the scope includes Associate companies, Subsidiaries and SPVs.

### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has set up as per the requirements of the Statute and the Listing Regulations, 2015 issued by SEBI a Committee of the Board called "Stakeholders Relationship Committee" to look after the grievances of the investors. All the three Independent directors of the Company are members of the above committee. The Committee meets at least once in every quarter to look into complaints from investors and the steps taken by the company through its Registered Share Transfer Agents for resolving the complaints.

During the year ended March 31, 2019, the company has received both directly as also through the Regulating agencies such as SEBI, the Stock Exchanges, a total of 94 complaints, most of which related to non-receipt of Annual Report, non-receipt of interim dividend for the year 2015-16 etc. All the complaints have been satisfactorily resolved and no complaints were pending / outstanding as on March 31, 2019.

### Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

#### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Committed to sustainable economic development, we have embedded the need to address the environmental and social concerns at the design stage itself through selection of state-of-the-art project execution / construction technologies for implementation of the projects, use of higher efficiency power generation technologies, conservation of natural resources like land and water & lesser emission intensive fuels. Some of the examples include high stack for better dispersion of gaseous and particulate emissions, provision of high efficiency electrostatic precipitators, low NOx burners, dust extraction and suppression systems, effluent treatment plant, sewage treatment plants, high Cycles of Concentration (CoC) ash slurry disposal, ash water recirculation system, rainwater harvesting system, continuous online stack and ambient air quality monitoring systems etc. Steps to conserve natural resources are an integral part of Company's growth strategy. As best-in-class technology is used for setting up our plants and mining of coal, our operations are designed to reduce the consumption of natural resources, specifically land, auxiliary consumption electricity, fuel and water. Efforts undertaken to reduce consumption of natural resources have already begun to show results. All power plants and mines are adhering to ZERO liquid discharge. Our townships have no discharge outlets for waste water and all the treated water is used to meet the in-house requirements.

Reliance Power recognizes the critical need for inclusive growth. The locations of our power plants and coal mines are in economically backward regions of India. Proactive engagement with the local community is maintained. Various capacity building programmes in education, healthcare, livelihood development and infrastructure have been implemented / are under implementation with active participation of local communities. Dedicated resources have been put in place to determine the efficacy of each capacity building programme.

#### 2. For each such product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product (optional):

##### i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Reliance Power is committed towards sustainable economic development and plays a key-role in addressing the challenges facing the environment. We approach these challenges in a holistic manner by pursuing innovative approaches and adopting the global best practices. Continued efforts to address the environmental concerns are visible, inter alia, in the selection of state-of-the-art power generation technologies for implementation of the projects, use of higher efficiency power generation technologies, lesser emission intensive fuels and ultra-modern technologies make evident our commitment towards sustainable development.

##### ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable – As we are in the business of generating and supplying the electricity to distribution companies.

#### 3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, Reliance Power has defined processes and procedures in place for sustainable sourcing. Ample care has been taken at the design stage to incorporate the desired processes to integrate and internalize the ethos of sustainable sourcing and optimum utilization across all resources including the critical ones that are land, coal, water and human resource. Adoption of cleaner technologies further reduces the consumption of fuel and water requirement for plant operations.

Sasan Power Limited – a subsidiary of Reliance Power has a captive source for mining coal which is transported to the plant site covering a distance of 14.6 kms through well established single flight overland belt conveyor which reduces consumption of natural resources required for the purpose of transportation. For other plants, coal is transported through rail rakes / roads one of the most sustainable means of coal transportation.

Water for the purpose of operations is sourced from the rivers and transported through dedicated pipelines. The discharge from the plants are recycled and reused for other secondary requirements.

## Business Responsibility Report

### 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Reliance Power believes in inclusive development and has been promoting the same by encouraging small and local vendors and extending them preference over the others while awarding the contracts. Local vendors are encouraged for procurement of construction material, as civil contractors, for transportation related jobs apart from sourcing for meeting support services like employee transportation, raw materials required for cafeteria etc.

To gainfully engage and build capacities of the local people Co-operative societies of local villagers have been formed. Training is imparted to build their capacities and adequately skill them to meet the requirement of the jobs awarded. There are at present 34 registered Co-operative societies of local villagers.

### 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

| SN | Product /Waste Recycling | % age of re-use / recycling | Details   |
|----|--------------------------|-----------------------------|---|
| 1  | Hazardous waste          | 100%                        | Through authorized recyclers  |
| 2  | Ash Water                | 100%                        | Using ash water recirculation system  |
| 3  | Effluent                 | 100%                        | Treated effluent is re-used within plant at different processes   |
| 4  | Fly ash                  | Phased manner               | Used for various purposes like, Brick Manufacturing, RMC, Cement, road embankment, Low lying area filling etc |

### Principle 3 Businesses should promote the well being of all employees.

#### 1. Please indicate the Total number of employees.

The company has 8,809 employees which include 1,614 permanent employees as on March 31, 2019. The above number considers those employed with both the Holding Company and its subsidiaries.

#### 2. Please indicate the Total number of employees hired on temporary /contractual / casual basis.

The company has 7,195 employees under contract.

#### 3. Please indicate the Number of permanent women employees.

Total number of permanent women employees in the company are 43 for the said period.

#### 4. Please indicate the Number of permanent employees with disabilities

There is one permanent employee with disabilities in the company.

### 5. Do you have an employee association that is recognized by management?

No

### 6. What percentage of your permanent employees are members of this recognized employee association?

N.A.

### 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

None

### 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees : 80%
- Permanent Women Employees : 100%
- Casual/Temporary/Contractual Employees : 100%
- Employees with Disabilities: Nil

### Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

#### 1. Has the company mapped its internal and external stakeholders? Yes / No

Yes, Reliance Power has mapped its internal as well as external stakeholders.

#### 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

#### 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Reliance Power engages with stakeholders through multiple channels of communication, both formally and informally. Reliance Power and its subsidiaries have developed internal systems and procedures to identify, prioritize and address needs and concerns of stakeholders at various levels. Likewise, various departments have been entrusted with the responsibility of interacting and engaging with stakeholders. The focus is to touch lives and transform lives through concentrated efforts under the key thematic areas of Education, Healthcare, Rural Transformation, and two cross-cutting themes namely, the Environment and the Swaach Bharat Abhiyan. This includes focus on:

- Establishing remedial schools of laggard children in order to mainstream them over a period of one year. Also, create learning environment in earmarked Government primary, middle and high schools. Honor teachers to enhance their motivation and extend teaching aids and refresher training programs to them.
- Extend free education to children from earmarked marginalised communities in company owned professionally run English medium schools.
- Women empowerment through promoting women based groups and focused initiatives including skilling and livelihood.

## Business Responsibility Report

- d. We have been extending support to 671 widows and the old aged by way of pensions.
- e. Special coaching and employability sessions for youth with a mandate to orient and equip them with the market requirements.
- f. Creation of Cooperative societies for vulnerable and marginalised individuals to skill and groom them as vendors and award them jobs.
- g. Extending improved techniques for people engaged in farm by skilling them with advanced techniques, providing resources to enhance the land productivity and improved resource utilisation. Market orientation and mobilisation of the farmers to create groups for better bargaining capabilities.
- h. Focus on sanitation across community as well as private places including schools, individual households, community places like markets, community halls etc. Promoting resource sufficiency for clean drinking water, clean air and green ecosystem.

### Principle 5 Businesses should respect and promote human rights.

It is widely believed that governments have a duty to protect human rights. Policies of Reliance Power cover the human rights aspects of its employees and other resources associated with matters relating to the construction / operation of the power plants. No complaints have been received in the past financial year on human rights.

#### 1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, the Company has a policy which covers Human Rights.

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year under review, no such complaints were received.

#### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on Human Rights were received during the year.

### Principle 6 Business should respect, protect and make efforts to restore the environment.

#### 1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures/ Suppliers/Contractors/NGOs/others?

Our companies in the group are committed to achieve the global standards of health, safety and environment. We believe in sharing process and product innovations within the group and extending its benefits to the Industry. We believe in safeguarding environment for long term. Reliance Group Companies' Code of Ethics and Business Policies is applicable to all personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.

#### 2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?

At Reliance Power, all power plants and mines operations are certified with Integrated Management system for Environment, Occupational Health & Safety and Quality. The environmental issues are identified, categorized and mapped for its impacts. Station specific respective SOPs are developed to address various issues through Environmental Management Plan. The power plants are designed and optimized for minimal consumption of resources for maximum output thus taking care of global warming and climate change. All the power plants and mines carry out extensive green belt development in the vicinity.

It is pertinent to mention that the Company has successfully registered Sasan UMPP, which uses super-critical technology; wind project at Vashpet; Solar Photovoltaic (PV) and Concentrated Solar Power (CSP) projects at Dhursar with the Clean Development Mechanism (CDM) Executive Board under the United Nations Framework Convention on Climate Change.

#### 3. Does the company identify and assess potential environmental risks? Y/N

Yes

#### 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, Sasan Power Limited, a subsidiary of Reliance Power is successfully registered with the Clean Development Mechanism (CDM) Executive Board. CDM is one of the three market based mechanisms agreed under the Kyoto Protocol to reduce Greenhouse Gases (GHG) by adopting environmental friendly technologies and/or fuels so that the GHG emissions can be reduced.

#### 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

Yes, Reliance Power has taken several initiatives to address long term climate change challenges and environmental management. Some of the initiatives are as under:

Deploying best in class technology related to power generation across all our projects. This aids in reducing the consumption of fuel and water required for plant operations, thereby conserving precious natural resources and contributing towards a greener and healthier environment.

Rosa Power Supply Company Limited (RPSC), a subsidiary of Reliance Power has an installed capacity of 120 KW of Solar Power generation within the plant on roof tops.

Vidharba Industries Power Limited (VIPL) is in the process of adopting best in class O&M practices related to power generation that reduce the consumption of fuel and water required for plant operations, thereby conserving precious natural resources and contributing towards a greener and healthier environment. Apart from this it has also installed total 15 KW of Solar Power Generation within the plant at Water reservoir (Floating Panels first of its kind in Vidharba Region), on roof top of the service building and on top of the car parking shed.

## Business Responsibility Report

### 6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the power stations are within the stipulated limits.

### 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

### Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

#### 1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Reliance Power is a member of Association of Power Producers (APP), Arunachal Pradesh Power Producers Association (APPPA), apart from being a member of Chambers of Commerce and Industry. We have, through APP and APPPA, represented to governments (both central and state) for the development of an efficient electricity sector. Objective of these representations is to introduce reforms aimed at providing sustainable power for all on a 24 × 7 basis.

#### 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Reliance Power does undertake constructive advocacy with Central as well as State level entities to positively contribute and influence the development of Power sector. As an organization we do not engage in any form of lobbying.

### Principle 8 Businesses should support inclusive growth and equitable development

#### 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

At Reliance Power, the approach towards CSR is to interweave social responsibility into Company's mainstream business functions by translating our commitments into the Company's policies, which not only motivates our employees, but also influences our stakeholders especially partners and suppliers, to embrace responsible business practices in their respective spheres of action.

As part of the CSR mandate, we focus on three key thematic areas – Education, Healthcare and Rural Transformation (which includes development of infrastructure, skill development, promotion of sustainable livelihood, improving the socio-economic status of women and the youth with two cross-cutting themes of Environment and Swachh Bharat Abhiyan (Sanitation) which complement all our social endeavors. (Refer PIC 1 below).

Reliance Power lays special emphasis on bringing about a tangible change in the lives of people living in rural and underserved areas around its power projects.



PIC 1: Thematic Areas under CSR

For past several years, Reliance Power has been undertaking various initiatives to support inclusive growth and equitable development for social and economically disadvantaged communities through several CSR programs with active participation from passionate employee volunteers. For the year 2018-19, in order to have more sustainable programmes with measurable impacts, the Company continues to scale-up and leverage the existing efforts.

Below are key initiatives undertaken by the company during the year 2018-19:

#### i. Education:

Reliance Power has identified education as one of the major focus areas of CSR and has been taking up various initiatives, to bridge the existing gaps and provide an enabling environment for effective learning for underserved communities. The education programmes are focused on primary and secondary level education.

The Company focuses on creating a learning environment for imparting holistic education to children from as early as kindergarten level. These projects are Hamari Paathshala (remedial schooling), Model Aanganwadi implemented at various project sites across the hinterland of our vast country.

#### Few examples-

At Rosa Power, to strengthen the mathematical and scientific skills, special coaching classes are being conducted for students of standard 10<sup>th</sup> and 12<sup>th</sup> appearing for board exams. Remedial schools for enrollment of school drop outs are set up under Hamari Pathshala Programme. Students are also being trained for government scholarships in addition to Digital literacy programs being conducted.

At Sasan Power, under the School Excellence Programme, efforts revolve around holistic development of students through art and culture, elocution, drama, physical training and sports, and preparation for competitive exams like Olympiad, Spell Bee etc. Electrification and infrastructural support to schools has also been an important element of the project. Vidyadaan, an employee volunteering initiative has significantly impacted the learning outcomes of students appearing for board exams, who in the recent CBSE exams have met 100% passing milestone.

At Vidarbha Industries Power Ltd., underprivileged children from more than 15 schools are supported by providing bicycles, stationery and school uniforms.

Dhirubhai Ambani Solar Park, situated at the very edge of our country's barren region, is supporting students from surrounding four villages in the form of infrastructure development, remedial schooling and digital literacy.

The above efforts in the field of education has benefitted more than 86,000 children from the underprivileged communities surrounding our plant sites.



### ii. Healthcare:

We at Reliance Power focus on promoting primary, preventive and curative healthcare. The Company implements CSR programs with special focus on health of elderly, women, adolescent and young ones like supporting Pediatric Heart surgeries for underprivileged children. Initiatives with support from accredited non-profit organizations promoting healthcare initiatives such as Aarogyam, Project Indradhanush, Swasthya Chetna and awareness cum health checkup camps are being conducted across all our sites.

Reliance Power also initiated concerted projects to meet the mandate set out by Hon. Prime Minister on woman health under Pradhan Mantri Surakshit Matritva Abhiyan, Pradhan Mantri Jeevan Jyoti Bima Yojana.

#### Few examples-

At Rosa Power site, programme 'Swasth Chetna' spreads general health awareness on curative and promotive healthcare in collaboration with the state government and local agencies. We organise and support vaccination and eye checkup camps through mobile health units, physio therapy centres, promotion of maternal and child health through institutional delivery of babies and nutrition awareness.

Sasan Power promotes maternal and child health through Institutional delivery for babies under Surakshit Matritva Abhiyan Project in collaboration with Govt departments. Child nutrition and mother & child health improvement is ensured through group of activities like supplementary nutrition of chickpeas & Jagger, supply of healthy baby kits and other awareness campaigns. A remarkable increase of 90% is seen in the institutional delivery and menstrual hygiene among rural women.

At VIPL site, various health care programs for women and children were organized under Yuvati Sammelans, with a focus on malnutrition and awareness on Sanitation and Menstrual hygiene for adolescent girls across 14 villages. Sanitary pads vending machines and incinerators machines have been installed across 6 Government schools at VIPL, benefiting more than 900 girl students.

We have impacted around 1.60 lakhs people through our health care programmes, wherein approximately 80,000 adolescent girls and women have benefited from the Sanitation and Menstrual hygiene camps.

### iii. Rural Transformation:

'Touching lives, transforming lives', is the vision Reliance Power has constantly been working on to promote scientific agriculture, horticulture, animal husbandry, tree plantation, women empowerment, sanitation and water management.

Since locations of the projects are in economically and socially underdeveloped areas, it is a constant endeavor to include the local community as a critical stakeholder in the inclusive measures initiated by the Company.

We encourage dcreation of socio physical infrastructure for the benefit of local community, including that of construction / renovation of community halls, construction of roads, cremation sheds etc. across all Reliance Power subsidiaries using the concept of YogDaan.

### Few examples:

Transforming rural lives through sustainable socio-economic capacity building programmes, is one of the key mandates at Rosa Power Supply Co. Ltd. Our focus has been to create 'Model Villages / Aadarsh Grams' with emphasis on collective development in consultation with the local/ state government and civil society for improving the standard of living of families as a unit, enriching the social capital and building the community spirit. Our endeavors run across supporting Human Development, Community Outreach, Agriculture, Animal Husbandry, Social and Financial Inclusion, Economic Empowerment, Job Creation, Skill Enhancement, and Social Security within the community with a key focus on women, differently abled and senior citizens and the farming communities.

Sasan Power is involved in the creation of more than 20 Cooperative societies for vulnerable and marginalized individuals to skill them as vendors and award them service contracts. These measures have directly helped more than 300 families to ignite the engine of economic progress around the Sasan site.

Livelihood interventions focusing on farm and non-farm areas including promoting agriculture, improving livestock, skill development for women and youth as well as infrastructure development, both through direct intervention and participation from accredited agencies have supplemented earning capabilities of about 6000 families across locations where Reliance Power subsidiaries operate.

### iv. Woman Empowerment:

Reliance Power has strived towards livelihood promotion by creating Self Help Groups (SHG's) for women, engaging them in small business projects like making sweet boxes, tailoring, knitting, decorative basket making, papad making, manufacturing fertilizer etc which helped them to earn an additional income for their families. Close to 50 SHGs have been formed, empowering more than 500 SHG women members to become financially self reliant.

More than 1,25,000 farmers and women benefitted through our CSR endeavors this year.

### v. Sanitation:

Swachh Bharat Abhiyan (SBA) has become a popular mass movement ever since its initiation by Hon. Prime Minister. Our Chairman, Shri Anil Dhirubhai Ambani has taken it upon himself and has translated it into an opportunity by integrating the tenets of SBA in the company's business processes apart from the social mandate across the Reliance Group for a far reaching and sustained impact.

Some of the key activities are awareness cum hygiene promotion programmes in schools, cleanliness drive at public facilities, building of toilets in the rural communities, distribution of sanitation kits, beach cleaning etc. His movement has grown within Reliance Power group and has engaged a wide spectrum of stakeholders including communities around our operational areas as well as employee volunteers across our business verticals.

We have reached out to 48 villages in the FY 2018-19.

### vi. Environment:

We as a company are very conscious about the importance of clean and green environment. It is an integral part of all our business operations as well as social interventions

## Business Responsibility Report

undertaken through CSR programmes. The imperative is to use natural resources efficiently to leave a minimal carbon footprint and impact on biodiversity across our business value chain. The group strives to develop and promote processes and technologies to make all our products and services environment-friendly. The philosophy behind this is to create a sustainable business model of circular economy by following the principle of 5 R- Reduce, Reuse, Repair, Refurbish and Recycle for the sustainability of the environment and its resources.

Under the Go Green Initiative, Sasan Power and Rosa Power have supported lighting up lives by installing over 64 solar mini grids and 70 solar street lights in the nearby villages benefitting 6000 families. More than 58,000 plants have been planted across sites. To promote better water facility in the community, VIPL site has installed hand pumps across 14 villages benefitting 2220 households.

To conclude, Reliance Power and its subsidiaries, through its sustainable endeavors are making constant efforts to bring about a change and provide better quality of life to underprivileged communities in the vicinity of the project sites.

### 2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Our CSR projects are mostly designed as long-term collaborative projects and are implemented through delivery mechanisms comprising of employees, local bodies, non-governmental organizations, not-for-profit entities and government institutions etc. The interventions are carried out in tandem with local Government bodies to meet the social mandate for the earmarked communities. The execution of the programs under the thematic heads Education, Healthcare, Rural Transformation, Environment and Sanitation are carried out with the support from development sector organizations and institutions apart from implementation through respective CSR teams. Employee volunteering also acts as a critical implementing arm across for the earmarked communities.

### 3. Have you done any impact assessment of your initiative?

Yes, we conduct Impact Assessment studies time to time – both internally as well as externally to understand the impact of our programmes. We have done an Impact Assessment for our endeavors for Rosa Power. Voyants Solutions Private Limited conducted an external Impact Assessment Report for our CSR programmes at (Shahjahanpur Rosa Power). We are in the process of carrying out impact assessment study by an independent agency at Sasan Power Limited, Singrauli, Madhya Pradesh.

### 4. What is your company's direct contribution to community development projects (amount in INR and the details of the projects undertaken).

The company and its subsidiaries have spent ₹ 22.52 Crore as direct contribution to community development projects under the thematic heads of Education, Healthcare, Rural

transformation, Swacch Bharat Abhiyan and Environment. These projects are directly intended for improving the quality of life of community with well designed strategies of replicability, scalability and sustainability.

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Reliance Power regularly evaluates the performance and impact of its CSR programmes. The CSR Team conducts assessments internally as well as through external agencies to keep strengthening the interventions. The interventions have been aligned with that of the Government mandate both at the local as well as the State level. We have been working in creating meaningful partnerships through series of engagements and transparency in our processes across board. This is undertaken by initiating meaningful grassroots participation with local bodies / institutions / NGOs to support and augment interventions in areas by ensuring stakeholder engagement to identify their perceived needs.

### Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The main business activities of the Company and its subsidiaries are generation and supply of electricity to distribution companies (discom's) and mining of coal for generation of electricity. Main consumers are the discoms with whom the Power Purchase Agreements have been entered into. Power tariff discovery through competitive bidding as is the case with ultra-competitive tariffs of Sasan UMPP or highly transparent and objective tariff determination by regulatory commissions as is the case with Rosa and Butibori Power Projects ensure that consumer is immensely benefitted in terms of competitive price of power.

#### 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

N.A.

#### 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases have been filed by any stakeholder against the company regarding unfair trade practices during the year under review.

#### 4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No. The company, however, ensures that complaints, if any, received from stakeholders are promptly attended to.

## Corporate Governance Report

### Corporate Governance Philosophy

Reliance Power follows the highest standards of corporate governance principles and best practices by adopting the 'Reliance Group – Corporate Governance Policies and Code of Conduct' as is the norm for all constituent companies in the group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

### Governance Practices and Policies

The Company has formulated a number of policies and introduced several Governance practices to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

#### A. Values and Commitments

We have set out and adopted a policy document on 'Values and Commitments' of Reliance Power. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

#### B. Code of Ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

#### C. Business Policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

#### D. Separation of the Chairman's supervisory role from executive management

In line with best global practices, we have adopted a policy to ensure that the Chairman of the Board shall be a non-executive director.

#### E. Policy on Prohibition of Insider Trading

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

#### F. Policy on prevention of Sexual Harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

#### G. Whistle Blower Policy (Vigil Mechanism)

Our Whistle Blower Policy (Vigil Mechanism) encourages disclosure in good faith of any wrongful conduct on a

matter of general concern and protects the whistle blower from any adverse personal action.

It has affirmed that no personnel has been denied access to the Audit Committee.

#### H. Environment and Corporate Social Responsibility (CSR)

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities. The Company has also developed a CSR policy which is intended to contribute towards improving the quality of life.

#### I. Risk Management

Our Risk Management procedures ensure that the management controls various business related risks through means of a properly defined framework.

#### J. Boardroom Practices

##### a. Chairman

In line with the highest global standards of Corporate Governance, the Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs.

##### b. Board Charter

The Company has a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, scope and function of the Board and its Committees, etc.

##### c. Board Committees

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board had constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee (CSR) and Risk Management Committee.

##### d. Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter-alia*, considers qualification, positive attributes, area of expertise, their independence and number of Directorships and Memberships held in various Committees of other Companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a



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Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, gives a declaration that she / he meets the criteria of independence as provided under the law.

**e. Tenure of Independent Directors**

Tenure of Independent Directors on the Board of the Company shall not exceed the time period as per provisions of the Act and the Listing Regulations, as amended from time to time.

**f. Independent Director's Interaction with Stakeholders**

Members of the Stakeholders Relationship Committee make suggestions on queries of the stakeholders, if any, which are forwarded to the Company Secretary.

**g. Familiarisation of Board Members**

The Board members are periodically given orientation and training with respect to the Company's vision, strategic direction and core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels through interface with the members of the Senior Management. Periodic presentations are made at the Board and Committee Meetings on business and performance updates of the Company, the macro industry business environment, business strategy and risks involved. The Board members are also provided with the necessary documents / brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws.

The details of the programmes for familiarization of Independent Directors have been put up on the website of the Company at the link <http://www.reliancepower.co.in/web/reliance-power/corporate-governance>.

**h. Meeting of Independent Directors with Operating team**

The Independent Directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others, as the Independent Directors may determine. During these executive sessions, the Independent Directors have access to

the members of management and other advisors, as the Independent Directors may deem fit.

**i. Subsidiaries**

All the subsidiaries of the Company are managed by their respective Boards. Their Boards have the rights and obligations to manage their Companies in the best interest of their stakeholders. The Company monitors performance of subsidiary Companies.

**j. Commitment of Directors**

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the Directors. This enables the Directors to plan their commitments and facilitates attendance at the meetings of the Board and its Committees.

**K. Role of the Company Secretary in Governance Process**

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the meeting(s). He is primarily responsible for assisting the Board in the conduct of affairs of the Company and to ensure compliance with the applicable statutory requirements and Secretarial Standards to provide guidance to directors and to facilitate convening of meetings. He interfaces between the Management and the Regulatory Authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

**L. Independent Statutory Auditors**

The Company's accounts are audited by a panel of two leading independent audit firms namely:

1. M/s. Pathak H.D. & Associates, Chartered Accountants
2. M/s. B S R & Co. LLP, Chartered Accountants

M/s. B S R & Co. LLP, Chartered Accountants vide its letter dated August 9, 2019 have resigned as one of the Statutory Auditors of the Company w.e.f. August 9, 2019.

**M. Compliance with the Code and Rules of Luxembourg Stock Exchange**

The Global Depository Receipts (GDRs) issued by the Company are listed on the Luxembourg Stock Exchange (LSE). The Company has reviewed the code of Corporate Governance of LSE and the Company's corporate governance practices conform to these codes and rules.

**N. Compliance with the Listing Regulations**

During the year the Company is fully compliant with the mandatory requirements of Listing Regulations.

We present our report on compliance of the governance conditions specified in the Listing Regulations as follows:

### I. Board of Directors

#### 1. Board Composition – Board strength and representation

As on March 31, 2019, the Board comprised of six members.

The composition and category of Directors on the Board of the Company is as under:

| SN | Names of Directors         | DIN      | Category   |
|----|----------------------------|----------|--|
| 1. | Shri Anil Dhirubhai Ambani | 00004878 | Chairman, Promoter, Non- Executive and Non- Independent Director |
| 2. | Shri Sateesh Seth          | 00004631 | Non-Executive and Non- Independent Director                      |
| 3. | Shri K. Ravikumar          | 00119753 | Independent Director   |
| 4. | Shri D. J. Kakalia         | 00029159 | Independent Director   |
| 5. | Smt Rashna Khan            | 06928148 | Independent Director   |
| 6. | Shri K. Raja Gopal*        | 00019958 | Whole-time Director  |

\*Appointed as Whole-time Director with effect from July 1, 2018.

#### Notes:

- None of the Directors are related to any other director.
- None of the Directors have any business relationship with the Company.
- None of the Directors have received any loans and advances from the Company during the financial year.
- During the year, Shri N. Venugopala Rao has superannuated from the office of Director of the Company on June 30, 2018.
- The Board of Directors of the Company at its meeting held on April 13, 2018, has appointed Shri K. Raja Gopal as Chief Executive Officer of the Company with effect from May 2, 2018 and Whole-time Director with effect from July 1, 2018 and subsequently members of the Company has approved his appointment at the Annual General Meeting held on September 18, 2018.

All the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually that they meet the criteria of independence as provided under law. The Board reviews the same and is of the opinion, that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and are independent of the management.

#### 2. Conduct of Board Proceedings

The day-to-day business is conducted by the executives and the business heads of the Company under the directions of the Board. The Board holds a minimum of four meetings every year to review and discuss the performance of the Company, its future plans, strategies

and other pertinent issues relating to the Company.

The Board performs the following key functions in addition to overseeing the business and management:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- Aligning key executive and board remuneration with the long term interests of the Company and its shareholders.
- Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of Management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in Related Party Transactions.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board evaluation framework.

#### 3. Board Meetings

The Board held six meetings during the financial year 2018-19 on the following dates:

April 13, 2018, April 19, 2018, July 21, 2018, November 02, 2018, January 24, 2019 and February 09, 2019.

The maximum time gap between any two meetings during the year under review was 103 days and the minimum gap was 5 days.

The Board periodically reviews compliance reports of all laws applicable to the Company.

#### 4. Legal Compliance Monitoring

The Company monitors statutory compliances through a system driven tool called Legatrix which has the facility of capturing all the statutes that impact the Company's operations as also those of its operating subsidiary companies. All the compliances ensured are reported online in the tool with provision of back up, wherever necessary, in support of actual compliances. The programme is coordinated and monitored by the Compliance Officer at the corporate office. Non-compliances/ delayed compliances, if any, are reported for remedial action.

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5. Attendance of directors

Attendance of the directors at the Board meetings held during the financial year 2018-19 and the last Annual General Meeting (AGM) and the details of directorships (as computed as per the provisions of Sections 165 of the Act), Committee Chairmanships and Memberships held by the directors as on March 31, 2019, were as under:

| Name of Director           | Number of Board Meetings attended out of 6 meetings held | Attendance at the last AGM held on September 18, 2018 | No. of directorships (including RPower) | Committee(s) Membership/ Chairmanship (including RPower) |              |
|----------------------------|--|---|---|--|--------------|
|                            |  |   |   | Membership   | Chairmanship |
| Shri Anil Dhirubhai Ambani | 3  | Present   | 12                                      | –  | –            |
| Shri Sateesh Seth          | 6  | Present   | 7                                       | 3 <sup>#</sup>   | –            |
| Shri K. Ravikumar          | 4  | Present   | 4                                       | 6  | 3            |
| Shri D. J. Kakalia         | 6  | Present   | 7 <sup>§</sup>                          | 6  | 2            |
| Smt. Rashna Khan           | 6  | Present   | 4                                       | 4  | 1            |
| Shri K. Raja Gopal*        | 3  | Present   | 1                                       | 1  | –            |
| Shri N. Venugopala Rao**   | 2  | N.A   | N.A                                     | N.A  | N.A          |

\*Appointed as Whole-time Director on April 13, 2018 with effect from July 01, 2018 by the Board of Directors of the Company and subsequently members of the Company at their meeting held on September 18, 2018, has approved the said appointment.

\*\*Superannuated from the service of the Company from June 30, 2018.

§ Ceased to be a Director from the closing of business hours of March 31, 2019 in one of the Company.

# Ceased to be a Member of 2 committees w.e.f. June 7, 2019.

Notes:

- None of the Directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
- No director holds directorships in more than 8 listed entities.
- No director holds Membership of more than 10 Committees of Board nor is a Chairman of more than 5 committees across Board of all listed entities.
- No Independent Director of the Company holds the position of Independent Director in more than 7 listed companies as required under the Listing Regulations.
- None of the Director has been appointed as Alternate Director for Independent Director.
- The information provided above pertains to the following Committees in accordance with the provisions of Regulations 26(1)(b) of the Listing Regulations: (i) Audit Committee and (ii) Stakeholders Relationship Committee.
- The Committee memberships and chairmanships above exclude memberships and chairmanships in private companies, foreign companies and in Section 8 companies.
- Memberships of Committees include chairmanships, if any.

The Company's Independent Directors meet at least once in every Financial Year without the attendance of Non- Independent Directors and members of Management. One meeting of the Independent Directors was held during the financial year on April 19, 2018

6. Details of Directors

The abbreviated resume of all directors is furnished hereunder:

**Shri Anil D. Ambani**, 60 years, B.Sc. Hons. and MBA from the Wharton School of the University of Pennsylvania, is the Chairman of our Company,

As on March 31, 2019, Shri Anil D. Ambani held 4,65,792 shares of the Company including 1,000 shares jointly with Reliance Project Ventures and Management Private Limited.

**Shri Sateesh Seth**, 63 years, is a Fellow Chartered Accountant and a Law Graduate. He has vast experience in general management. Shri Sateesh Seth is also on the Board of Reliance Telecom Limited, Reliance Infrastructure Limited, Reliance Defence and Aerospace Private Limited, Reliance Defence Technologies Private Limited, Reliance Defence Systems Private Limited and Reliance Defence Limited.

He was a Member of the Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility

Committee, Nomination and Remuneration Committee of the Company till June 7, 2019. He is a member of the Corporate Social Responsibility Committee of Reliance Telecom Limited and member of Stakeholder Relationship Committee of Reliance Infrastructure Limited.

Shri Sateesh Seth held 29 shares in the Company as on March 31, 2019.

**Shri D. J. Kakalia**, 70 years, is a Commerce and Law Graduate from the University of Mumbai. He is an Advocate & Solicitor of Bombay High Court & Solicitor, Supreme Court of India. He also qualified as a Solicitor of the Supreme Court of England & Wales and Hong Kong.

Commenced practice as a Commercial Lawyer and built an extensive transaction practice and court practice, having background in corporate commercial matters, setting up of Joint Ventures, Mergers and Acquisitions, ADR's and GDR's as well as real estate transactions and disputes and litigations and arbitrations related to these sectors and areas of practice.

Specialization in the power sector litigation and projects, acting for large power Companies such as Reliance Infrastructure Ltd. and has advised consortiums for the bids with respect to the 4,000 MW Ultra Mega Power Projects that have been proposed by the Power Corporation of India. He regularly appears before the MERC, the Bombay High Court and in the Supreme Court of India with respect to various litigations in relation to disputes in the power sector.

Has extensive experience in power projects and has acted for power companies for setting up of Ultra Mega Power Projects.

He is a Director on the board of Companies of repute and member of various Committee of there Companies.

Former Lecturer in law at K.C. Law College (University of Mumbai) and was also appointed as an examiner in the subject of drafting, pleading and conveyancing for final year law by the University of Mumbai.

He is in charge of updating and editing the legal updates in the Mulla & Mulla and Craigie Blunt & Caroe team that annually contributes to the Internationally acclaimed Martindale Hubbell Law Digest. Also he is on the panel of Arbitrators of the Hon'ble Bombay High Court.

He is a Director of Companies of repute including Aditya Birla Finance Limited, Escorts Limited, Reliance Broadcast Network Limited, Reliance Business Broadcast News Holdings Limited and Rosa Power Supply Company Limited. He is also Chairman of Rosa Power Supply Company Limited, a Material Unlisted Indian Subsidiary of the Company.

He is a member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee (CSR Committee) of the Company. He is the Chairman of the Stakeholders Relationship Committee and Risk Management Committee of the Company.

He is also a member of the Audit Committee and Nomination and Remuneration Committee of Aditya Birla Finance Limited, member of Audit Committee, Nomination and Remuneration, Stakeholders Relationship

Committee and CSR Committee of Reliance Broadcast Network Limited. He is also a member of Nomination and Remuneration Committee and Chairman of Audit Committee and CSR Committee of Rosa Power Supply Company Limited.

Shri D. J. Kakalia has been re-appointed as an Independent Director of the Company for a period of three consecutive years by the shareholders at their meeting held on September 26, 2017 effective from the said date.

Shri D. J. Kakalia did not hold any shares in the Company as of March 31, 2019.

**Smt. Rashna Khan**, 55 years, a Law Graduate from Government Law College Mumbai (University of Bombay) and qualified as a Solicitor with the Bombay Incorporated Law Society and Law Society London.

Smt. Khan has worked with Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors and with Dhruve Liladhar & Co., Advocates and Solicitors, in various capacities before she became partner of Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors, since the year 2009.

She specializes in the field of civil litigation including attending matters in the High Court, Supreme Court, National Company Law Tribunal, Income Tax Tribunal, Arbitration, Customs, Excise and Service Tax Appellate Tribunal, opinion and documentation work.

She is on the Board of The Supreme Industries Limited, Sasan Power Limited (SPL), Vidarbha Industries Power Limited (VIPL), Reliance Home Finance Limited, Reliance Commercial Finance Limited and Rosa Power Supply Company Limited. She is also Chairperson of SPL and VIPL, a material unlisted indian Subsidiary of the Company.

She is a member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee and Chairperson of CSR Committee of the Company.

She is also a member of Audit Committee and Nomination and Remuneration Committee of SPL and Chairperson on Audit Committee, Nomination and Remuneration Committee and CSR Committee of VIPL.

Smt Khan was re-appointed as an Independent Director for a period of three consecutive years by the shareholders of the Company at their meeting held on September 26, 2017, effective from the said date.

As on March 31, 2019 Smt. Rashna Khan held 375 shares in the Company including 90 shares jointly with her father.

**Shri K. Ravikumar**, 69 years, was the former Chairman and Managing Director (CMD) of Bharat Heavy Electricals Limited (BHEL), which ranks among the leading Companies of the world engaged in the field of power plant equipment. As CMD, he was responsible for maximizing market-share and establishing BHEL as a total solution provider in the power sector. The company was ranked 9<sup>th</sup> in terms of market capitalization in India during his tenure at BHEL. He had handled a variety of assignments during his long career spanning over 36 years. His areas of expertise are design and engineering, construction and project management of thermal, hydro, nuclear, gas based power plants and marketing of power projects.

Shri Ravikumar had the unique distinction of having booked USD 25 billion order for BHEL. His vision was to transform BHEL into a world class engineering enterprise, towards this, he pursued a growth strategy based on the

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twin plans of building both capacity and capability and this had resulted in an increase in BHEL's manufacturing capacity from 10,000 MW to 20,000 MW per annum. He also introduced new technologies in the field of coal and gas based power plants for the first time in the country, such as supercritical thermal sets of 660 MW and above rating, advance class gas turbines large size CFBC boilers and large size nuclear sets. BHEL has the distinction of having installed over 1,00,000 MW of power plant equipment worldwide.

Shri Ravikumar had also forged a number of strategic tie ups for BHEL with leading Indian utilities and corporates like NTPC Limited, Tamilnadu State Electricity Board, Nuclear Power Corporation of India Limited, Karnataka Power Corporation Limited, Heavy Engineering Corporation Limited to leverage equipment sales and develop alternative sources for equipment needed for the country. He had guided BHEL's technology strategy to maintain the technology edge in the market place with a judicious mix of internal development of technologies with selective external co-operation. He had focused on meeting the customer expectation and has strengthened BHEL's image as a total solution provider.

He possesses M.Tech Degree from the Indian Institute of Technology, Chennai, besides Post-Graduate Diploma in Business Administration. He was conferred Alumni Awards from the Indian Institute of Technology, Chennai and the National Institute of Technology, Trichy and was the Ex-Chairman of BOG National Institute of Technology, Mizoram. He has published a number of research papers in the field of power and electronics. He is also a Director on the Board of Spel Semiconductor Limited, Reliance Infrastructure Limited and Reliance Naval and Engineering Limited.

He is the Chairman of Audit Committee and Nomination and Remuneration Committee and member of Stakeholder Relationship Committee, CSR Committee and Risk Management Committee of the Company. He is also member of Audit Committee, Risk Management Committee and CSR Committee and Chairman of Stakeholders Relationship Committee of Reliance

Infrastructure Limited. He is the Chairman of Audit Committee and Risk Management Committee of Reliance Naval and Engineering Limited.

As on March 31, 2019, Shri K. Ravikumar did not hold any shares of the Company.

**Shri K. Raja Gopal**, 61 years, ME, MBA having over thirty-five years of industry and leadership experience in both public and private domains. A well acknowledged leader in power industry circles of the country known for deep insight, vision, team building capability, fostering strong relationships and a proven track record of execution and operation of large IPPs.

As on date Shri K. Raja Gopal is a member of Stakeholders Relationship Committee, CSR Committee and Risk Management Committee of the Board.

Most recently chaired the 'Association of Power Producers' (APP) and also was a member of National Committee on Power at CII and FICCI at New Delhi.

As on March 31, 2019, Shri K. Raja Gopal did not hold any shares of the Company.

### Core Skills / Expertise / Competencies available with the Board

The Board comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and the current Board of Directors of the Company possesses all the below identified skills and competencies:

- Leadership / Operational experience
- Strategic Planning
- Sector / Industry Knowledge & Experience, Research & Development and Innovation
- Technology
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

### Directorships in other listed entities:

The details of directorships held by the directors of the Company as on March 31, 2019 is as follows

| Name of Director    | Name of Listed entities                | Category  |
|---------------------|--|---|
| Shri Anil D. Ambani | Reliance Communications Limited        | Promoter, Non-Executive, Non Independent Director |
|                     | Reliance Infrastructure Limited        | Promoter, Non-Executive, Non Independent Director |
|                     | Reliance Capital Limited               | Promoter, Non-Executive, Non Independent Director |
| Shri Sateesh Seth   | Reliance Infrastructure Limited        | Non-Executive, Non Independent Director           |
| Shri K. Ravikumar   | SPEL Semiconductor Limited             | Non-Executive, Independent Director               |
|                     | Reliance Infrastructure Limited        | Non-Executive, Independent Director               |
|                     | Reliance Naval and Engineering Limited | Non-Executive, Independent Director               |
| Shri D J Kakalia    | Escorts Limited                        | Non-Executive, Independent Director               |
|                     | Hercules Hoists Limited*               | Non-Executive, Independent Director               |
| Smt Rashna Khan     | The Supreme Industries Limited         | Non-Executive, Independent Director               |
| Shri K. Raja Gopal  | -                                      | -   |

\* Ceased to be a Director from the closing of business hours of March 31, 2019.

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### 7. Insurance Coverage

The Company has obtained Directors and Officers liability insurance coverage in respect of any legal action that might be initiated against Directors/ Officers of the Company and its subsidiary Companies.

### II. Audit Committee

The Company has an Audit Committee. The composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Act, Listing Regulations and other applicable laws. The Committee presently comprises of three Independent Non-Executive Directors and one Non- Independent Non-Executive Director of the Company viz. Shri K. Ravikumar as Chairman, Shri D.J.Kakalia, Smt Rashna Khan and Shri Sateesh Seth as Members. However Shri Sateesh Seth ceased to be member with effect from June 07, 2019. All the members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference, *inter-alia*, comprises the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by them;
4. Reviewing with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement forming a part of the Boards' report in terms of clause (c) of sub section 3 of Section 134 of the Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any Related Party Transactions.
  - g. Modified opinion(s) in the draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in these matters;
7. Review and monitor the auditors' independence and performance and effectiveness of audit process;
8. Approval and Review on quarterly basis, of Related Party Transactions (RPTs) entered into by the Company pursuant to each omnibus approval given;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management, the performance of statutory and internal auditors, adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with the statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the



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asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

21. To review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively; and
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Explanation:** The term 'Related Party Transactions' shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The Audit Committee is also authorised to:

- a) Investigate any activity within the terms of reference;
- b) Seek any information from any employee;
- c) To have full access to information contained in the records of the Company;
- d) Obtain outside legal and professional advice;
- e) Secure attendance of outsiders with relevant expertise, if it considers necessary;
- f) Call for comments from the auditors about internal control systems and scope of audit, including the observations of the auditors;
- g) Review financial statements before submission to the Board; and
- h) Discuss any related issues with the internal and statutory auditors and the Management of the Company.

The Audit Committee mandatorily reviews the following information, as necessary:

- a. Management Discussion and Analysis of financial condition and results of operations;
- b. Statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by Management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses, and;
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- f. Statement of deviations:
  - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the Stock Exchanges as per the Listing Regulations;

- ii. Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of the Listing regulations.

**Attendance at the meetings of the Audit Committee held during financial year 2018-19**

The Audit Committee held its meetings on April 13, 2018, April 19, 2018, July 21, 2018, November 02, 2018 and January 24, 2019. The maximum gap between any two meetings was 103 days and the minimum gap was 5 days.

| Members            | Meetings held during the FY | Meetings Attended |
|--------------------|-----------------------------|-------------------|
| Shri K. Ravikumar  | 5                           | 4                 |
| Shri D. J. Kakalia | 5                           | 5                 |
| Shri Sateesh Seth  | 5                           | 5                 |
| Smt. Rashna Khan   | 5                           | 4                 |

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

The Company Secretary acts as the Secretary to the Audit Committee.

During the year, the Committee discussed with Company's auditors, the overall scope and plans for the independent audit.

The Management has represented to the Committee that the Company's financial statements were prepared in accordance with the existing laws and regulations.

The Committee also discussed the Company's Audited Financial Statement, the rationality of significant judgments and the clarity of disclosures in the financial statement. Based on the review and discussions conducted with the Management and the Auditors, the Audit Committee believes that the Company's Financial Statement are fairly presented in conformity with the prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal control systems put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are recorded in accordance with the prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and has expressed its satisfaction with the same. The Committee, after review expressed its satisfaction on the independence of both the Statutory and Internal Auditors.

Pursuant to the requirements of Section 148 of the Companies Act, 2013, the Board has, based on the recommendation of the Committee, appointed Cost Auditors to audit the cost records of the Company, in respect of its 45 MW Wind Farm Power Project at Vashpet, District Sangli, Maharashtra.

## Corporate Governance Report

### III. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee (NRC). The composition and terms of reference of NRC are in compliance with the provisions of Section 178 of the Act, Listing Regulations and other applicable laws. The Committee comprises of four directors, viz. Shri K. Ravikumar as Chairman, Shri D. J. Kakalia, Shri Sateesh Seth and Smt Rashna Khan, as Members. However Shri Sateesh Seth ceased to be member with effect from June 07, 2019.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, *inter-alia* comprises the following:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior management employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board and the Committees thereof.
- Devising a policy on diversity of the Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, and to recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Policy on Appointment and Remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided as an Annexure to the Directors' Report.

Shri D.J. Kakalia, Chairman of the Committee was present at the last AGM to answer the shareholders queries.

#### Attendance at the meetings of the NRC held during financial year 2018-19

The Committee held its meeting on April 13, 2018 and April 19, 2018.

| Members            | Meeting held during the FY | Meetings Attended |
|--------------------|----------------------------|-------------------|
| Shri K. Ravikumar  | 2                          | 1                 |
| Shri D. J. Kakalia | 2                          | 1                 |
| Shri Sateesh Seth  | 2                          | 2                 |
| Smt. Rashna Khan   | 2                          | 2                 |

All the directors being Non-Executive as on March 31, 2019, were paid only sitting fees for attending the meetings of the Board and its Committees.

The Company has carried out the evaluation of the Board of Directors during the year in terms of the criteria laid down by the NRC, details of which have been covered in the Director's Report forming part of this Annual Report.

#### Details of Sitting Fees paid to Directors during the Financial Year 2018-19:

| (₹ in lakhs)       |          |              |
|--------------------|----------|--------------|
| Name               | Position | Sitting Fees |
| Shri Anil D Ambani | Chairman | 1.20         |
| Shri Sateesh Seth  | Director | 7.60         |
| Shri K. Ravikumar  | Director | 7.60         |
| Shri D. J. Kakalia | Director | 8.00         |
| Smt Rashna Khan    | Director | 7.60         |
| <b>Total</b>       |          | <b>32.00</b> |

#### Notes:

- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.
- Pursuant to the limits approved by the Board, all Non-Executive Directors were paid sitting fees of ₹ 40,000 (excluding taxes as applicable) for attending each meeting of the Board and its Committees.
- The Company did not pay any amount to the Non-Executive Directors by way of salary, perquisites and commission.
- The Company has so far not issued any stock options to its directors.

During the year, in terms of the approval granted by the shareholders, Shri K. Raja Gopal, Whole-time Director & Chief Executive Officer was paid remuneration as follows

| SN | Particulars                                    | (₹ in lakhs) |
|----|--|--------------|
| 1. | Remuneration                                   | 205          |
| 2. | Performance Link Incentives                    | Nil          |
| 3. | Perquisites*                                   | -            |
| 4. | Benefits, bonuses, stock options, pension, etc | Nil          |
|    | <b>Total</b>                                   | <b>205</b>   |

\* Company owned car.

Service, Contracts, Notice Period, Severance fees – He has a binding service contract with functions and duties of a Whole-time Director and Chief Executive Officer.

The above remuneration is as per the Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees.

### IV. Stakeholders Relationship Committee

In terms of Section 178 of the Act and Listing Regulations, the Company has a Stakeholders Relationship Committee ('SRC'). The composition and terms of reference of SRC are in compliance with the applicable provisions of the Act, Listing Regulations and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on July 21, 2018.

## Corporate Governance Report

The terms of reference, *inter alia*, comprises the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee comprises of Shri D.J.Kakalia as Chairman, Shri Sateesh Seth, Shri K. Ravikumar, Smt Rashna Khan and Shri K. Raja Gopal as members as on March 31, 2019. However Shri Sateesh Seth ceased to be member with effect from June 07, 2019.

Shri D.J. Kakalia, Chairman of the Committee was present at the last AGM to answer the shareholders queries.

### Attendance of members at the meeting of the Stakeholders Relationship Committee held during financial year 2018-19:

During the year, the Committee held its meetings on April 19, 2018, July 21, 2018, November 02, 2018 and January 24, 2019. The maximum gap between any two meetings was 103 days and the minimum gap was 82 days.

| Name                     | Meeting held during the FY | Meetings Attended |
|--------------------------|----------------------------|-------------------|
| Shri D. J. Kakalia       | 4                          | 3                 |
| Shri Sateesh Seth        | 4                          | 4                 |
| Shri K. Ravikumar        | 4                          | 4                 |
| Smt Rashna Khan          | 4                          | 3                 |
| Shri K. Raja Gopal*      | 2                          | 1                 |
| Shri N. Venugopala Rao** | 1                          | 1                 |

\* Appointed as Member with effect from July 21, 2018.

\*\*Ceased to be Member with effect from June 30, 2018.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

During the year, the Company received 94 number of complaints and there is no unresolved complaint at the end of the year.

### V. Compliance Officer

Shri Murli Manohar Purohit, Company Secretary is the Compliance Officer for complying with the requirements of various provisions of the Laws, Rules and Regulations

applicable to the Company including SEBI Regulations and the Uniform Listing Agreements executed with the Stock Exchanges.

### VI. Corporate Social Responsibility (CSR) Committee

In terms of Section 135 of the Act, the Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of CSR Committee are in compliance with the applicable provisions of the Act and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on July 21, 2018.

The Committee comprises of Smt Rashna Khan, Chairperson, Shri D. J. Kakalia, Shri K. Ravikumar, Shri Sateesh Seth and Shri K. Raja Gopal as members as on March 31, 2019. However Shri K. Raja Gopal appointed as Member with effect from July 21, 2018 and Shri Sateesh Seth ceased to be member with effect from June 07, 2019.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company.

The CSR Committee has recommended the amount of expenditure to be incurred by way of CSR initiatives. The CSR policy is also monitored by the Committee from time to time.

The Committee held two meetings during the year on July 21, 2018 and January 24, 2019.

The meetings were attended by the Members as below:

| Members            | Meetings held during the FY | Meetings Attended |
|--------------------|-----------------------------|-------------------|
| Smt Rashna Khan    | 2                           | 1                 |
| Shri D. J. Kakalia | 2                           | 2                 |
| Shri K. Ravikumar  | 2                           | 2                 |
| Shri Sateesh Seth  | 2                           | 2                 |
| Shri K. Raja Gopal | 1                           | 1                 |

The Company Secretary acts as the Secretary to the CSR Committee.

### VII. Risk Management Committee

The Risk Management Committee (RMC) comprises of the following Members as on March 31, 2019:

- Shri D. J. Kakalia, Chairman
- Shri K. Ravikumar, Director
- Smt Rashna Khan, Director
- Shri K. Raja Gopal, Whole-time Director and CEO\*
- Shri Shrikant D. Kulkarni, President
- Shri Shrenik Vaishnav, Chief Financial Officer\*

\*Appointed as members of the Committee with effect from July 21, 2018.

## Corporate Governance Report

The Company Secretary acts as the Secretary to the Risk Management Committee.

The Board of Directors has defined the role and responsibilities of the Committee and has delegated monitoring and reviewing of the risk management plan to the Committee and assigned such other functions as deemed appropriate.

The Committee is authorized to discharge its responsibilities as follows:

1. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
2. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.
3. Review and monitor the risk management plan, Cyber Security and related risks.
4. Set reporting guidelines for management.
5. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company.
6. Oversight of internal systems to evaluate compliance with corporate policies.
7. Provide guidance to the Board on making the Company's risk management policies.
8. Subsidiary companies monitoring framework.

During the year, the Risk Management Committee held its meetings on April 19, 2018, July 21, 2018, November 02, 2018 and January 24, 2019.

The minutes of the meetings of all the committees of the Board of Directors are placed before the board.

### VIII. General Body Meetings

The Company held its last three Annual General Meetings as under:

| Financial Year | Date and Time                  | Whether Special Resolution(s) passed or not (through electronic voting and physical Ballot)   |
|----------------|--------------------------------|---|
| 2017-18        | September 18, 2018 – 12 Noon   | Yes<br>a. Appointment of Shri K. Raja Gopal as the Whole-time Director<br>b. Private Placement of Non-Convertible Debentures                  |
| 2016-17        | September 26, 2017 – 2.00 P.M. | Yes<br>a. Re-appointment of Shri D. J. Kakalia as an Independent Director<br>b. Re-appointment of Smt. Rashna Khan as an Independent Director |

| Financial Year | Date and Time                  | Whether Special Resolution(s) passed or not (through electronic voting and physical Ballot)  |
|----------------|--------------------------------|--|
| 2015-16        | September 27, 2016 – 4.00 P.M. | Yes.<br>c. Appointment of Shri N. Venugopala Rao as the Whole-time Director<br>d. Private Placement of Non-Convertible Debentures<br>e. Adoption of new Articles of Association of the Company<br>f. Borrowing limits of the Company<br>a. Appointment of Dr. Yogendra Narain as an Independent Director<br>b. Private Placement of Non-Convertible Debentures |

The Annual General Meetings for the above years were held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

During the year there was no Extra-Ordinary General Meeting held by the Company.

### IX. Postal Ballot

The Company had conducted business through Postal Ballot during the financial year 2018-19 in which the following Special Resolutions were passed with requisite majority.

| Description  | % of votes Cast in favor resolution |
|--|-------------------------------------|
| Issue of Securities to the Qualified Institutional Buyers. | 99.8217                             |

The Company had complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Shri Anil Lohia, Partner of M/s Dayal and Lohia, Chartered Accountant, was appointed as Scrutinizer for conducting voting process in a fair and transparent manner.

The Result of the Postal Ballot was announced on April 3, 2018 however the validity of the above Postal Ballot was till April 2, 2018.

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.

### X. Details of Utilisation

During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

### XI. Means of Communication

#### a) Quarterly Results:

Quarterly Results are published in The Financial Express (English) newspaper circulating substantially in the whole of India and in Navshakti (Marathi) newspaper and are also posted on the Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in).

Corporate Governance Report

**b) Media Releases and Presentations:**

Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.

**c) Website:**

The Company's website contains a separate dedicated section called 'Investor Information'. It contains a comprehensive database of information of interest to our investors including the Financial Results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company as called for in terms of Listing Regulations is provided on the Company's website and the same is updated regularly.

**d) Annual Report:**

The Annual Report containing, *inter-alia*, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Business Responsibility Report, Management Discussion and Analysis Report and Corporate Governance Report forms part of the Annual Report and are displayed on the Company's website.

The Act read with the Rules thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company e-mails the soft copies of the Annual Report to all those members whose e-mail IDs are available with its Registrar and Transfer Agent.

**e) NSE Electronic Application Processing System (NEAPS)**

The NEAPS is a web based system designed by NSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate announcements, Media Releases, Financial Results, etc. are filed electronically on NEAPS.

**f) BSE Corporate Compliance and Listing Centre (the 'Listing Centre')**

The Listing Centre is a web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate announcements, Media Releases, Financial Results, etc. are filed electronically on the Listing Centre.

**g) Unique Investor helpdesk:**

Exclusively for investor servicing, the Company has set up a Unique Investor Help Desk with multiple access modes as under:

Toll free no. (India) : 1800 4250 999

Telephone no. : +91 40 6716 1500

Fax no. : +91 40 6716 1791

E-mail : [rpower@karvy.com](mailto:rpower@karvy.com)

**h) Designated e-mail id:**

The Company has also designated the e-mail id: [reliancepower.investors@relianceada.com](mailto:reliancepower.investors@relianceada.com) exclusively for investor servicing.

**i) SEBI Complaints Redress System (SCORES):**

The investors' complaints are also being processed through the centralized web based complaint redressal system. The salient features of SCORES are availability of centralized database of the complaints and uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

**XII. Management Discussion and Analysis**

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2) read with Schedule V of the Listing Regulations.

**XIII. Subsidiaries**

All the subsidiary Companies are managed by their respective Boards. Their Boards have the rights and obligations to manage such companies in the best interest of their stakeholders.

The Board monitors the performance of its subsidiary companies, *inter-alia*, by the following means:

- The minutes of the meetings of the Boards of the subsidiary Companies are periodically placed before the Company's Board.
- Financial statement, in particular the investments made by the unlisted subsidiary Companies, are reviewed quarterly by the Audit Committee of the Company.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary Companies is placed before the Audit Committee / Board.
- Review of Risk Management process is made by the Risk Management Committee / Audit Committee / Board.

The Company has formulated Policy for Determining Material subsidiaries which is put on Company's website having web link: [http://www.reliancepower.co.in/pdf/Policy\\_for\\_Determination\\_of\\_Material\\_Subsiadiary.pdf](http://www.reliancepower.co.in/pdf/Policy_for_Determination_of_Material_Subsiadiary.pdf).

One of the Independent Directors is nominated to the Board of the unlisted material subsidiaries as and it becomes an 'unlisted Material Subsidiary' within the meaning of the above expression in accordance with Regulation 24 of the Listing Regulations. Keeping in view the above requirement, Independent Directors of the

## Corporate Governance Report

Company have been appointed on the Boards of 'unlisted Material Subsidiary' viz. Smt Rashna Khan on the Boards of Sasan Power Limited and Vidarbha Industries Power Limited and Shri D. J. Kakalia on the Board of Rosa Power Supply Company Limited. They have been made Chairpersons of the respective subsidiaries referred to above.

### XIV. Disclosures

a. There has been no non-compliance by the Company on any matter relating to the capital markets in the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other Statutory Authority.

#### b. Related Party Transactions

During the financial year 2018-19, no transactions of material nature have been entered into by the Company that may have a potential conflict with interest of the Company. The details of Related Party Transactions are disclosed in the Notes to Accounts. The policy on dealing with Related Party Transactions including clear threshold limits duly approved by the Board is placed on the Company's website at web link: [http://www.reliancepower.co.in/pdf/Policy\\_for\\_Related\\_Party\\_Transaction.pdf](http://www.reliancepower.co.in/pdf/Policy_for_Related_Party_Transaction.pdf). The said policy shall be reviewed by the Board of Directors at least once every three years and will be updated accordingly.

#### c. Accounting Treatment

In preparation of the financial statement for the financial year 2018-19, the Company has followed the Accounting Standards as prescribed under section 133 of the Act, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

#### d. Code of Conduct

The Company has adopted the Code of Conduct and ethics for Directors and Senior Management. The code has been circulated to all the members of the Board and Senior Management personnel and the same has been posted on the Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in). The Board members and the members of the Senior Management have affirmed their compliance with the code and a declaration signed by the Whole-time Director of the Company appointed in terms of the Companies Act, 2013, is given below:

'It is hereby declared that the Company has obtained from all members of the Board and Senior Management personnel of the Company affirmation that they have complied with the Code of Conduct for directors and Senior Management for the year 2018-19.'

K. Raja Gopal  
Whole-time Director

#### e. CEO and CFO Certification

Shri K. Raja Gopal, Whole-time Director & Chief Executive Officer and Shri Shrenik Vaishnav, Chief Financial Officer of the Company, has provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

#### f. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2019 have been prepared as per applicable Accounting Standards and Policies and that sufficient care has been taken for maintaining adequate accounting records.

#### g. Certificate from a Company Secretary in Practice

Pursuant to the provisions of schedule V of the Listing Regulations the Company has obtained a certificate from M/s. Ajay Kumar & Co., Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any other statutory authority.

#### h. Confirmation by the Board of Directors' for acceptance of Committees recommendations

The Board of Directors confirmed that during the financial year, it has accepted all recommendations of any committees which is mandatorily required.

### XV. Policy on Insider Trading

The Company has a Code of Conduct for Prevention of Insider Trading and code for fair disclosure of Unpublished Price Sensitive Information ('Code') in accordance with the guidelines specified under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Board has appointed Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company's Code, inter alia, prohibits purchase and / or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the Company's website.

### XVI. Compliance of Regulation 34(3) read with Para F of Schedule V of Listing Regulations

As per Regulation 34(3) read with Para F of Schedule V of Listing Regulations, the Company reports the following details in respect of equity shares lying in suspense account relating to Initial Public Offer (IPO), Bonus Issue and the issue of shares pursuant to the Composite Scheme of Arrangement between the Company and Reliance Natural Resources Limited and Others.



**Corporate Governance Report**
**i. Unclaimed Shares Suspense Accounts – IPO and Bonus Issue**

The members may note that the Company has received claims from Shareholders for direct transfer of unclaimed equity shares to their respective demat accounts and that the same have been transferred to the demat accounts of the respective shareholders accounts for the year ended March 31, 2019, as under:

| SN   | Particulars   | No. of Shareholders | No. of Shares |
|------|---|---------------------|---------------|
| i.   | Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2018                   | 5,670               | 1,48,123      |
| ii.  | Number of shareholders who approached issuer for transfer of shares from Suspense Account during the financial year 2018-19 | 3                   | 110           |
| iii. | Number of shareholders to whom Shares were transferred from Suspense Account during the financial year 2018-19              | 3                   | 110           |
| iv.  | Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2019                  | 5,667               | 1,48,013      |

**ii. Unclaimed Shares Suspense Account**

Arising out of the Composite Scheme of Arrangement between Reliance Natural Resources Limited and Reliance Power Limited & others:

| SN   | Particulars  | No. of Shareholders | No. of Shares |
|------|--|---------------------|---------------|
| i.   | Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2018                    | 88,132              | 9,64,895      |
| iii. | Number of shareholders who approached issuer for transfer of shares from Suspense Account during the financial year 2018-19. | 162                 | 4,614         |
| iv.  | Number of shareholders to whom shares were transferred from Suspense Account during the financial year 2018-19.              | 162                 | 4,614         |
| v.   | Aggregate number of shareholders and the outstanding shares lying in Suspense Account as on March 31, 2019                   | 87,970              | 9,60,281      |

The voting rights on the shares outstanding in the Unclaimed Suspense Accounts as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

Wherever the shareholders have claimed the shares, after proper verification, the shares were credited to the respective beneficiary account.

The Company is not under obligation to transfer to the Investor Education and Protection Fund, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more.

**XVII. Fees to Statutory Auditors**

The details of fees paid to Statutory Auditors by the Company and its subsidiaries during the year ended March 31, 2019 are as follows:

(₹ In Lakhs)

| SN           | Particulars           | M/s. Pathak H. D. & Associates and their network entities | M/s. B.S.R. & Co. LLP and their network entities |
|--------------|-----------------------|---|--|
| 1            | Audit Fees            | 198   | 98   |
| 2            | Certification Charges | 19  | -  |
| 3            | Other Matters         | 1   | 5  |
| <b>Total</b> |                       | <b>218</b>  | <b>103</b>                                       |

**XVIII. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As reported by the Internal Complain Committee the details of Complaints are as under.

| SN | Particulars  | Details |
|----|--|---------|
| 1. | Number of complaints filed during the financial year         | Nil     |
| 2. | Number of complaints disposed of during the financial year   | Nil     |
| 3. | Number of Complaints pending as on end of the financial year | Nil     |

**XIX. Compliance with non-mandatory Requirements**
**1. The Board**

The Company has a non executive Chairman and he is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

**2. Audit qualifications**

The management response to the qualifications are mentioned in the Directors Report.

**3. Separate posts of Chairman and CEO**

The Company maintains separately the posts of Chairman and CEO.

## Corporate Governance Report

### 4. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee of the Company.

### XX. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this Annual Report.

### Certificate on Corporate Governance

The Certificate from Company Secretary in Practice on compliance of Regulation 34(3) of the Listing Regulations relating to Corporate Governance is published in this Annual Report.

### Review of governance practices

We have in this report endeavoured to present the governance practices and principles being followed at Reliance Power, as evolved over a period, and as considered being appropriate to meet the needs of the Company's business and its Stakeholders.

Our disclosures and governance practices are revisited, reviewed and revised periodically to respond to the dynamic needs of our business and to ensure that our standards are at par with the best practices followed by other companies.

### Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

| SN  | Particulars                                       | Regulations | Compliance Status | Compliance Observed  |
|-----|---|-------------|-------------------|--|
| 1.  | Board of Directors                                | 17          | Yes               | <ul style="list-style-type: none"> <li>Composition &amp; Meetings</li> <li>Review of compliance reports &amp; compliance certificate</li> <li>Plans for orderly succession for appointments</li> <li>Code of Conduct</li> <li>Fees / compensation to Non-Executive Directors</li> <li>Minimum information to be placed before the Board</li> <li>Risk assessment and management</li> <li>Performance evaluation</li> </ul>                               |
| 2.  | Maximum No. of Directorships                      | 17A         | Yes               | <ul style="list-style-type: none"> <li>Directorships in listed entity</li> </ul>   |
| 3.  | Audit Committee                                   | 18          | Yes               | <ul style="list-style-type: none"> <li>Composition &amp; Meetings</li> <li>Power of the Committee</li> <li>Role of the Committee and review of information by the Committee</li> </ul>   |
| 4.  | Nomination and Remuneration Committee             | 19          | Yes               | <ul style="list-style-type: none"> <li>Composition</li> <li>Role of the Committee</li> </ul>   |
| 5.  | Stakeholders Relationship Committee               | 20          | Yes               | <ul style="list-style-type: none"> <li>Composition</li> <li>Role of the Committee</li> </ul>   |
| 6.  | Risk Management Committee                         | 21          | Yes               | <ul style="list-style-type: none"> <li>Composition</li> <li>Role of the Committee</li> </ul>   |
| 7.  | Vigil Mechanism                                   | 22          | Yes               | <ul style="list-style-type: none"> <li>Review of Vigil Mechanism for Directors and employees</li> <li>Direct access to Chairperson of Audit Committee</li> </ul>   |
| 8.  | Related Party Transactions                        | 23          | Yes               | <ul style="list-style-type: none"> <li>Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>Approval including omnibus approval of Audit Committee</li> <li>Review of Related Party Transactions</li> <li>No material Related Party Transactions</li> </ul>  |
| 9.  | Subsidiaries of the Company                       | 24          | Yes               | <ul style="list-style-type: none"> <li>Appointment of Company's Independent Director on the Board of material subsidiary</li> <li>Review of financial statements of subsidiary by the Audit Committee</li> <li>Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors</li> <li>Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors</li> </ul> |
| 10. | Secretarial Compliance Report                     | 24A         | Yes               | <ul style="list-style-type: none"> <li>Secretarial Compliance Report</li> </ul>  |
| 11. | Obligations with respect to Independent Directors | 25          | Yes               | <ul style="list-style-type: none"> <li>No alternate director for Independent Directors</li> <li>Maximum Directorship and tenure</li> <li>Meetings of Independent Directors</li> <li>Cessation and appointment of Independent Directors</li> <li>Familiarisation of Independent Directors</li> <li>Declaration by Independent Directors</li> <li>Director's &amp; officer's insurance</li> </ul>  |

**Corporate Governance Report**

| SN  | Particulars  | Regulations      | Compliance Status | Compliance Observed   |
|-----|--|------------------|-------------------|---|
| 12. | Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters | 26               | Yes               | <ul style="list-style-type: none"> <li>Memberships / Chairmanships in Committees</li> <li>Affirmation on compliance of Code of Conduct by Directors and Senior Management</li> <li>Disclosure of shareholding by Non-Executive Directors</li> <li>Disclosures by Senior Management about potential conflicts of interest</li> <li>No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Persons, Director and Promoter</li> </ul>   |
| 13. | Other Corporate Governance requirements  | 27               | Yes               | <ul style="list-style-type: none"> <li>Compliance with discretionary requirements</li> <li>Filing of quarterly compliance report on Corporate Governance</li> </ul>   |
| 14. | Website  | 46(2) (b) to (i) | Yes               | <ul style="list-style-type: none"> <li>Terms and conditions for appointment of Independent Directors</li> <li>Composition of various Committees of the Board of Directors</li> <li>Code of Conduct of Board of Directors and Senior Management Personnel</li> <li>Details of establishment of Vigil Mechanism / Whistle-blower policy</li> <li>criteria of making payments to non-executive directors , if the same has not been disclosed in annual report;</li> <li>Policy on dealing with Related Party Transactions</li> <li>Policy for determining material subsidiaries</li> <li>Details of familiarization programmes imparted to Independent Directors</li> </ul> |

**Certificate on Corporate Governance by practicing Company Secretary**

**[Pursuant to Regulation 34(3) read with Schedule V (E) of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015]**

To,  
The Members  
Reliance Power Limited  
H Block, 1st Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai 400 710

I have examined the compliance of conditions of Corporate Governance by Reliance Power Limited ('the Company') for the year ended March 31, 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 01, 2018 to March 31, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and my examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and should not be used by any other person or for any other purpose.

For Ajay Kumar & Co.  
Practising Company Secretaries  
FCS No.:3399 COP No.: 2944

Mumbai  
August 12, 2019

# Reliance Power Limited

## No Disqualification Certificate from Company Secretary in Practice

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Reliance Power Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Reliance Power Limited having CIN L40101MH1995PLC084687 and having registered office at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

| SN | Name of Director   | DIN      | Date of appointment in Company | Date of Cessation |
|----|--------------------|----------|--------------------------------|-------------------|
| 1. | Mr. Anil D. Ambani | 00004878 | 30/09/2007                     | -                 |
| 2. | Mr. Sateesh Seth   | 00004631 | 18/07/2014                     | -                 |
| 3. | Mr. K. Ravikumar   | 00119753 | 26/09/2017                     | -                 |
| 4. | Mr. D J Kakalia    | 00029159 | 13/09/2013                     | -                 |
| 5. | Ms. Rashna Khan    | 06928148 | 27/09/2014                     | -                 |
| 6. | Mr. K. Raja Gopal  | 00019958 | 01/07/2018                     | -                 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ajay Kumar & Co.  
Practising Company Secretaries  
FCS No.:3399 COP No.: 2944

Mumbai  
August 12, 2019

## Investor Information

### Important Points

**Hold securities in dematerialised form as transfer of shares in physical form will no more be permissible.**

**As per notification issued by SEBI, with effect from April 1, 2019, the shares of the Company can be transferred only in dematerialised form. Members are advised to dematerialise shares in the Company to facilitate transfer of shares.**

**Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.**

### Hold Securities in Dematerialised Form

Investors should hold their securities in dematerialised form as the same is beneficial due to the following:

- A safe and convenient way to hold securities;
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address/bank account details as change with Depository Participants gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same is done by Depository Participants for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus / split / consolidation / merger, etc.
- Convenient method of consolidation of folios/ accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

### Hold Securities in Consolidated Form

Investors holding shares in multiple folios are requested to consolidate their holding in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

### Register for SMS alert facility

Investors should register with Depository Participants for the SMS alert facility. Both depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

### Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Company's Registrar and Transfer Agent (RTA), if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

### Submit Nomination Form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case of shares held in dematerialised form.

Form may be downloaded from the Company's website, [www.reliancepower.co.in](http://www.reliancepower.co.in) under the section 'Investor Information'.

However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

### Deal only with SEBI Registered Intermediaries

Investors should deal only with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

### Corporate Benefits in Electronic Form

Investors holding shares in physical form should opt for corporate benefits like split/bonus/consolidation/merger etc. in electronic form by providing their demat account details to Company's RTA.

### Register e-mail address

Investors should register their e-mail addresses with the Company/ Depository Participants. This will help them in receiving all communications from the Company electronically at their e-mail addresses. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

### Course of action in case of non-receipt of interim dividend declared for the financial year 2015-16, revalidation of dividend warrant etc.

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number / DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request.

**As per a circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company. The shareholders are advised to register their bank details with the Company / RTA or their DPs, as the case may be, to claim unencashed dividend from the Company.**

### Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders who have only one demat account with (a) No Annual Maintenance charges if the value of holding is up to ₹ 50,000 and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer Circular No. CIR/ MRD/ DP/ 22/ 2012 dated 27<sup>th</sup> August, 2012 and Circular No. CIR/MRD/DP/20/2015 dated December 11, 2015).

## Investor Information

### Annual General Meeting

The 25<sup>th</sup> Annual General Meeting (AGM) will be held on Monday, September 30, 2019 at 12.30 p.m. or soon after the conclusion of the AGM of Reliance Infrastructure Limited convened on the same day, whichever is later, at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020.

### E-voting

The Members can cast their votes online from 10:00 A.M. (IST) on September 26, 2019 to 5:00 P.M. (IST) on September 29, 2019.

### Financial Year of the Company

The financial year of the Company is from April 1 to March 31, each year.

### Website

The Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in) contains a separate dedicated section called 'Investor Information'. It contains comprehensive data base of information of interest to our investors including the financial results, annual reports, dividend declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

### Dedicated E-mail ID for investors

For the convenience of our investors, the Company has designed an e-mail ID i.e. [reliancepower.investors@relianceada.com](mailto:reliancepower.investors@relianceada.com) for investors.

### Registrar and Transfer Agent (RTA)

Karvy Fintech Private Limited  
Unit: Reliance Power Limited  
Karvy Selenium, Tower – B, Plot No. 31 & 32  
Survey No. 116/22, 115/24, 115/25  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad Telangana 500 032  
Toll free no. (India): 1800 4250 999  
Tel no : +91 40 6716 1500, Fax no. : +91 40 6716 1791  
E-mail: [rpower@karvy.com](mailto:rpower@karvy.com)  
Website : [www.karvyfintech.com](http://www.karvyfintech.com)

Shareholders / Investors are requested to forward share transfer documents, dematerialisation requests (through their Depository Participant) and other related correspondence directly to Company's RTA at the above address for speedy response.

### Dividend announcements

The Board of Directors of the Company do not recommend any dividend for the financial year 2018-19.

### Share Transfer System

With a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, the Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated February 11, 2019, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:

- The relaxation shall only be available for transfers executed after January 01, 2016.
- The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.

The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status.

### Transfer of unclaimed amount to Investor Education and Protection Fund, where necessary.

#### a) Unclaimed Amounts on company's IPO

In accordance with the provisions of Section 123 of the Companies Act, 2013 the Company has deposited the unclaimed amount with the Investor Education and Protection Fund (IEPF) maintained by the Central Government. Therefore, members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid.

#### b) Unclaimed fractional bonus warrants

The Company had issued fractional bonus warrants to the members in lieu of their fractional entitlements to bonus shares pursuant to the bonus shares allotted to them on June 11, 2008.

Considering the exchange ratio, all the fractional shares which arose pursuant to allotment of bonus shares were consolidated and 11,49,140 shares were sold in the open market and the net sales proceeds of ₹ 15,24,14,631/- were distributed proportionately among the eligible shareholders, to the extent of their entitlement.

Vide notification No. SO-2866(E) dated September 5, 2016 issued by the Ministry of Corporate Affairs (MCA), effective from September 7, 2016, the provisions of Section 124, Sub-sections (1) to (4), (6) and (8) to (11) of Section 125 of the Companies Act, 2013 (the Act), have come into force.

Pursuant to the above, the Company has transferred on January 4, 2017, an amount of ₹ 1,62,31,511/- representing the amount lying unclaimed / unpaid against the fractional proceeds as stated above, for seven or more years as on December 28, 2016 to the credit of the Investor Education and Protection Fund (IEPF) established by the Central Government.

#### c) Unclaimed Fractional Warrants – Composite Scheme of Arrangement

The Company had issued to the shareholders of Reliance Natural Resources Limited fractional warrants against the sale proceeds arising out of the consolidation and disposal of their fractional entitlements consequent upon the Composite Scheme of Arrangement between Reliance Natural Resources Limited ('RNRL') and Reliance Power Limited ('the Company' or 'RPower') and others, as approved by the Hon'ble High Court of Judicature at Bombay, vide its order dated October 15, 2010.

Pursuant to the above, the Company on February 12, 2018 has transferred an amount of ₹ 2,89,39,055/- representing the amount lying unclaimed / unpaid against the fractional proceeds, for seven or more years as on January 15, 2018 to the credit of the Investor Educational & Protection Fund (IEPF) established by the Central Government.

Members may please note that, in view of the above, any claim for refund of the amounts stated in (a), (b) and (c) above will have to be preferred by the claimants with the IEPF Authority after following the procedure as prescribed in the relevant Rules.

#### d) Unclaimed Interim Dividend declared for Financial Year 2015-16

The Company has declared interim dividend for the financial year 2015-16. Members who have not so far encashed their dividend warrants or have not received the dividend warrants are requested to seek issuance of



## Investor Information

duplicate dividend warrants by communicating with our RTA, Karvy Fintech Private Limited, for payment of their unclaimed amounts due.

The Company shall upload the details of unpaid and

The dividend and other benefits, if any, for the following years remaining unclaimed for seven years from the date of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amount are as under:

unclaimed dividend on the website of the Company in terms of the requirements of the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012, in due time.

| Dividend         | Dividend Per Share (₹) | Date of Declaration | Due for transfer on | Amount lying in the unpaid dividend account |
|------------------|------------------------|---------------------|---------------------|---|
| Interim Dividend | 1                      | 09/11/2015          | 15/12/2022          | 29,916,471                                  |

## Shareholding Pattern

| Category of shareholders |   | As on March 31, 2019 |              | As on March 31, 2018 |               |
|--------------------------|---|----------------------|--------------|----------------------|---------------|
|                          |   | Number of shares     | %            | Number of shares     | %             |
| A                        | Shareholding of Promoter and Promoter Group                                 |                      |              |                      |               |
| i                        | Indian  | 1578636797           | 56.28        | 2103395004           | 74.98         |
| ii                       | Foreign   | 0                    | 0.00         | 0                    | 0.00          |
|                          | <b>Total shareholding of Promoter and Promoter Group</b>                    | <b>1578636797</b>    | <b>56.28</b> | <b>2103395004</b>    | <b>74.98</b>  |
| B                        | <b>Public shareholding</b>  |                      |              |                      |               |
| i                        | Institutions  | 390777672            | 13.93        | 306257462            | 10.92         |
| ii                       | Non-institutions  | 835148319            | 29.77        | 394903912            | 14.08         |
|                          | <b>Total Public shareholding</b>  | <b>1225925991</b>    | <b>43.70</b> | <b>701161374</b>     | <b>25.00</b>  |
| C                        | Shares held by Custodian against which depository receipts have been issued | 563678               | 0.02         | 570088               | 0.02          |
|                          | <b>Grand Total (A)+(B)+(C)</b>  | <b>2805126466</b>    | <b>100</b>   | <b>2805126466</b>    | <b>100.00</b> |

## Distribution of Shareholding

| Number of shares | Number of shareholders as on March 31, 2019 |            | Total Shares as on March 31, 2019 |            | Number of shareholders as on March 31, 2018 |               | Total Shares as on March 31, 2018 |               |
|------------------|---|------------|-----------------------------------|------------|---|---------------|-----------------------------------|---------------|
|                  | Number                                      | %          | Number                            | %          | Number                                      | %             | Number                            | %             |
| Up to 500        | 2976776                                     | 95.88      | 150648800                         | 5.37       | 3188284                                     | 96.94         | 158107111                         | 5.64          |
| 501 - 5000       | 113680                                      | 3.66       | 158661849                         | 5.66       | 94129                                       | 2.86          | 119775015                         | 4.27          |
| 5001 -100000     | 13605                                       | 0.44       | 214812341                         | 7.66       | 6278  | 0.19          | 84239369                          | 3.00          |
| Above 100000     | 689   | 0.02       | 2281003476                        | 81.32      | 269   | 0.01          | 2443004971                        | 87.09         |
|                  | <b>3104750</b>                              | <b>100</b> | <b>2805126466</b>                 | <b>100</b> | <b>3288960</b>                              | <b>100.00</b> | <b>2805126466</b>                 | <b>100.00</b> |

## Dematerialisation of Shares and Liquidity

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE614G01033. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by the Securities and Exchange Board of India (SEBI).

## Status of Dematerialisation of Shares

As on March 31, 2019, 99.74 per cent of the Company's equity Shares are held in dematerialised form.

## Investors' grievances attended

| Received from                          | Received during financial year |           | Redressed during financial year |           | Pending as on |            |
|--|--------------------------------|-----------|---------------------------------|-----------|---------------|------------|
|  | 2018-19                        | 2017-18   | 2018-19                         | 2017-18   | 2018-19       | 2017-18    |
| Securities and Exchange Board of India | 57                             | 25        | 57                              | 25        | NIL           | NIL        |
| Stock Exchanges                        | 16                             | 14        | 16                              | 14        | NIL           | NIL        |
| NSDL / CDSL                            | 10                             | 0         | 10                              | 0         | NIL           | NIL        |
| Other (ROC)                            | 0                              | 1         | 0                               | 1         | NIL           | NIL        |
| Direct from investors                  | 11                             | 21        | 11                              | 21        | NIL           | NIL        |
| <b>Total</b>                           | <b>94</b>                      | <b>61</b> | <b>94</b>                       | <b>61</b> | <b>NIL</b>    | <b>NIL</b> |

# Reliance Power Limited

## Investor Information

### Analysis of Grievances

| Particulars                                     | 2018-19   |            | 2017-18   |               |
|---|-----------|------------|-----------|---------------|
|   | Number    | %          | Number    | %             |
| Non receipt of Refund Orders / Credit of shares | 0         | 0          | 3         | 4.92          |
| Non receipt of Share Certificate                | 0         | 0          | 1         | 1.64          |
| Non receipt of Refund Orders                    | 3         | 3.19       | 8         | 13.11         |
| Non Credit of Shares / Others                   | 0         | 0          | 7         | 11.48         |
| Non Credit of bonus Shares / Others             | 0         | 0          | 0         | 0             |
| Non receipt of fractional warrants              | 0         | 0          | 2         | 3.28          |
| Non receipt of Annual Report                    | 14        | 14.89      | 18        | 29.51         |
| Non receipt of dividend warrant                 | 25        | 26.60      | 14        | 22.95         |
| Others  | 52        | 55.32      | 8         | 13.11         |
| <b>Total</b>                                    | <b>94</b> | <b>100</b> | <b>61</b> | <b>100.00</b> |

There was no complaint, pending as on March 31, 2019.

#### Notes:

- The shareholder base was 31,04,750 as of March 31, 2019 and 31,97,614 as of March 31, 2018.
- Investors' queries/ grievances are normally attended within a period of three days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned. The queries and grievances received correspond to 0.0030 percent of the total number of members as of March 31, 2019.

#### Legal Proceedings

There are certain pending cases relating to non-receipt of refund orders and non-credit of shares in demat account, in which the Company has been made a respondent. These cases are however, not material in value.

### Equity Capital Build-up

| Dates            | Particulars of issue   | No. of shares | Cumulative No. of shares | Nominal value of shares |
|------------------|--|---------------|--------------------------|-------------------------|
|                  |  | (in '000)     | (in '000)                | (₹ in crore)            |
| Up to 31.01.2008 | Allotment(s) made prior to Initial Public Offering (IPO)   | 20,00,000     | 20,00,000                | 2,000.00                |
| 01.02.2008       | Allotment of shares pursuant to Initial Public Offering(IPO)   | 2,60,000      | 22,60,000                | 2,260.00                |
| 11.06.2008       | Issue of Bonus shares  | 1,36,800      | 23,96,800                | 2,396.80                |
| 12.11.2010       | Allotment of shares pursuant to Scheme of Arrangement between Reliance Natural Resources Limited and the Company | 4,08,283      | 28,05,083                | 2,805.08                |
| 25.03.2011       | Allotment of shares pursuant to conversion of 4.928 per cent Foreign Currency Convertible Bond                   | 43            | 28,05,126                | 2,805.13                |

### Credit Rating

| Rating Agency | Type of Instrument   | Rating as on April 1, 2018  | Rating as on March 31, 2019                                       |
|---------------|--|-----------------------------|---|
| ICRA Limited  | A. Non-Convertible Debentures (NCD) Programme  | Long Term BBB (Stable)      | Long Term BB (Negative); ISSUER NOT COOPERATING <sup>1</sup>      |
|               | B. Commercial Paper/ Short-term debt Programme/ Non-convertible Debentures (With maturity of Less than 1 Year) | A2                          | Short Term A4; ISSUER NOT COOPERATING <sup>2</sup>                |
|               | C. Line of Credit  |                             |   |
|               | Subordinated Debt  |                             |   |
|               | I. Long Term Non-Fund based (BG & LC)  | I. Long Term BBB (Stable)   | I. Long Term BB (Negative); ISSUER NOT COOPERATING <sup>3</sup>   |
|               | II. Short Term Non-Fund based (BG & LC)  | II. Short Term A2           | II. Short Term A4; ISSUER NOT COOPERATING <sup>4</sup>            |
|               | III. Long Term Loans   | III. Long Term BBB (Stable) | III. Long Term BB (Negative); ISSUER NOT COOPERATING <sup>5</sup> |
|               | IV. Long Term Fund Based   | IV. Long Term BBB (Stable)  | IV. Long Term BB (Negative); ISSUER NOT COOPERATING <sup>6</sup>  |
|               |  |                             |   |
|               |  |                             |   |

## Investor Information

### Details of Revision

<sup>1</sup> From BBB (Stable) to BB (Negative) ISSUER NOT COOPERATING on August 03, 2018

<sup>2</sup> From A2 to A4 ISSUER NOT COOPERATING on August 03, 2018

<sup>3</sup> From BBB (Stable) to BB (Negative) ISSUER NOT COOPERATING on August 03, 2018

<sup>4</sup> From A2 to A4 ISSUER NOT COOPERATING on August 03, 2018

<sup>5</sup> From BBB (Stable) to BB (Negative) ISSUER NOT COOPERATING on August 03, 2018

<sup>6</sup> From BBB (Stable) to BB (Negative) ISSUER NOT COOPERATING on August 03, 2018

### Stock Price and Volume

| Financial Year 2018-19 | BSE   |       |                      | NSE   |       |                      |
|------------------------|-------|-------|----------------------|-------|-------|----------------------|
|                        | High  | Low   | Volume No. of shares | High  | Low   | Volume No. of shares |
| April-18               | 44.50 | 35.55 | 2,55,85,362          | 43.90 | 35.60 | 16,89,58,211         |
| May-18                 | 39.75 | 32.45 | 3,34,45,946          | 39.80 | 32.40 | 22,34,15,768         |
| June-18                | 36.75 | 31.45 | 1,79,81,400          | 36.75 | 31.40 | 11,13,04,292         |
| July-18                | 33.95 | 28.85 | 2,25,78,557          | 34.00 | 28.80 | 13,86,38,408         |
| August-18              | 38.10 | 31.65 | 2,52,15,144          | 38.15 | 31.60 | 18,90,26,089         |
| September-18           | 39.25 | 24.90 | 2,53,94,800          | 39.30 | 24.85 | 19,82,82,914         |
| October-18             | 30.60 | 23.55 | 3,19,16,751          | 30.60 | 23.10 | 19,58,71,880         |
| November-18            | 32.65 | 29.00 | 2,11,43,908          | 32.70 | 28.90 | 14,33,20,635         |
| December-18            | 31.50 | 26.10 | 2,37,08,688          | 31.55 | 25.85 | 22,43,52,231         |
| January-19             | 30.95 | 25.70 | 2,06,14,808          | 30.95 | 25.70 | 18,07,26,959         |
| February-19            | 27.20 | 9.15  | 22,37,71,356         | 27.20 | 9.10  | 1,70,86,47,450       |
| March-19               | 13.25 | 10.29 | 18,82,07,775         | 13.25 | 10.25 | 1,40,78,33,249       |

(Source: This information is compiled from the data available on the website of BSE and NSE)

### Stock Exchange Listings

The Company's equity shares are actively traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Indian Stock Exchanges.

### Listing on Stock Exchanges

#### Equity Shares

| BSE Limited   | National Stock Exchange of India Limited   |
|---|--|
| Phiroz Jeejeebhoy Towers<br>Dalal Street,<br>Mumbai 400 001<br>website : <a href="http://www.bseindia.com">www.bseindia.com</a> | Exchange Plaza,<br>Plot No. C/1, G Block,<br>Bandra-Kurla Complex,<br>Bandra (East),<br>Mumbai 400 051<br>website : <a href="http://www.nseindia.com">www.nseindia.com</a> |

### Stock Exchange on which Company's Global Depository Receipts (GDRs) are listed (Effective from May 17, 2011)

Luxembourg Stock Exchange  
Societe de la Bourse de Luxembourg  
35A Boulevard Joseph II, L-1840  
Luxembourg  
website : [www.bourse.lu](http://www.bourse.lu)

### Depository for GDR holders

#### Depository

Deutsche Bank Trust  
Company Americas, 60  
Wall Street  
New York 10005

#### Custodian

Deutsche Bank AG  
Mumbai Branch  
222, Kodak House,  
Post Box No.1142  
Fort, Mumbai 400 001

### Stock Codes/Symbol

BSE Limited : 532939  
National Stock Exchange of India Limited : RPOWER  
ISIN for equity shares : INE614G01033

### Security Code for GDRs

| ISIN                      | CUSIP     | Common Code |
|---------------------------|-----------|-------------|
| Rule 144A US75950V1035    | 75950V103 | 56264027    |
| Regulation S GDRs         |           |             |
| Regulation S US75950V2025 | 75950V202 | 56264019    |
| S GDRs                    |           |             |

**Note:** The GDRs have been admitted for listing on the official list of the Luxembourg Stock Exchange and for trading on the Euro MTF market. The Rule 144A GDRs have been accepted for clearance and settlement through the facilities of the DTC, New York. The Regulation S GDRs have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream, Luxembourg.in.

### Outstanding GDRs of the Company, conversion date and likely impact on equity

Outstanding GDRs as on March 31, 2019 represent 5,63,678 equity shares constituting 0.02 per cent of the paid up equity share capital of the Company. Each GDR represents one underlying equity share in the company.

# Reliance Power Limited

## Investor Information

### Debt Securities

Following Debt Securities are listed on the Wholesale Debt Market (WDM) segment of BSE:

| Debentures  | ISIN                       | Date of Allotment | Date of Maturity | Total Size (₹ in Crore) |
|---|----------------------------|-------------------|------------------|-------------------------|
| Series I (2018) – Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs)         | INE614G07063* <sup>5</sup> | March 28, 2018    | March 28, 2025   | 545                     |
| Series III (2017) –13.71% Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) | INE614G07071 *             | July 10, 2017     | May 25, 2020     | 250                     |

#The Company has repurchased and redeemed NCDs for an amount of ₹ 205 Crore out of total amount of ₹ 750 Crore on August 23, 2018.

\$Further, the Company have amended certain terms for which the Debenture Holders and Debenture Trustee have provided their consent on October 31, 2018 and Final approval from BSE was received on November 26, 2018.

\*The Company has issued Non Convertible Debentures series III (2017) (ISIN: INE614G08079) (the NCDs) on July 10, 2017. Considering the present trend and pricing prevalent in the debt capital markets today together with maturity profile, Debenture Holders and the Debenture Trustee agreed to extend maturity for a further period of 300 days and change in rate of interest of the NCDs for which the Debenture Holders and Debenture Trustee have provided their consent on June 27, 2018 and BSE In principal approval was received on July 02, 2018 for extending maturity date from June 29, 2018 to April 25, 2019 and Coupon rate was changed from 10.20% to 10.75% p.a. payable Semi annually. Further Debenture Holders and the Debenture Trustee have agreed to extend maturity for a further period of 396 days and change in rate of interest of the NCDs for which the Debenture Holders and Debenture Trustee have provided their consent on April 24, 2019 and BSE In principal Approval was received on April 25, 2019 for extending maturity date from April 25, 2019 to May 25, 2020 and Coupon rate was changed from 10.75% to 13.71% p.a. payable Semi annually.

### Debenture Trustee

IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai 400 001.

### Payment of Listing Fees

Annual listing fees for the financial year 2018-19 has been paid by the Company to the Stock Exchanges.

### Payment of depository fees

Annual custody/issuer fees for the financial year 2018-19 has been paid by the Company to the Depositories.

### An Index Scrip

Equity Shares of the Company are included in the following indices:

### BSE

S&P Global BMI (US Dollar), S&P/IFCI Composite price index in US Dollar, S&P/IFCI Carbon Efficient (US Dollar), S&P Intrinsic Value Weighted Global Index (US Dollar), Dow Jones Global Index, Dow Jones Global Total Stock Market Index, S&P BSE Power Index, S&P BSE 100, S&P BSE 200, S&P BSE 500, S&P BSE CARBONEX, S&P BSE AllCap, S&P BSE India Infrastructure Index, S&P BSE Enhanced Value Index, S&P BSE Power New, S&P BSE Basic Industries.

### NSE

Nifty 200, Nifty 500, Nifty Midcap 150, Nifty midcap 50, Nifty full midcap 100, Nifty freefloat midcap100, Nifty midsmallcap 400, Nifty Infrastructure, Nifty500 Industry Indices.

### Share Price Performance in comparison with broad based indices – Sensex (BSE) and Nifty (NSE) as on March 31, 2019:

| Period     | RPower(%) | Sensex (%) | Nifty (%) |
|------------|-----------|------------|-----------|
| FY 2018-19 | -68.56    | 17.30      | 14.93     |
| 2 years    | -76.40    | 30.56      | 26.71     |
| 3 years    | -77.02    | 52.60      | 50.21     |

Note: The equity shares of the Company were listed on BSE and NSE effective from February 11, 2008.

### Commodity price risks or foreign exchange risk and hedging activities

The Company does not have any exposure to commodity price risks. However, the foreign exchange exposure and the interest rate risk have not been hedged by any derivative instrument or otherwise.

### Key financial reporting dates for the financial year 2019-20

|  |                                  |
|--|----------------------------------|
| Unaudited results for the First Quarter ending June 30, 2019                     | : On or before August 14, 2019   |
| Unaudited results for the Second Quarter and half year ending September 30, 2019 | : On or before November 14, 2019 |
| Unaudited results for the Third Quarter ending December 31, 2019                 | : On or before February 14, 2020 |
| Audited results for the Financial Year 2019-20                                   | : On or before May 30, 2020      |

### Depository Services

For guidance on depository services, shareholders may write to the Company's RTA or NSDL, Trade World, A Wing, 4<sup>th</sup> and 5<sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: [www.nsdl.co.in](http://www.nsdl.co.in) or CDSL, Unit No. 250, A Wing, Marathon Futurex, A-Wing, 25<sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai 400013, website: [www.cdslindia.com](http://www.cdslindia.com).

### Communication to Members

The quarterly financial results of the Company were declared within 45 days of the end of the quarter. The Audited Accounts of the Company were announced within 60 days from the close of the financial year as per the Listing Regulations. The Company's media releases and details of significant developments are also made available on the Company's website: [www.reliancepower.co.in](http://www.reliancepower.co.in). In addition, these are published in leading newspapers.

## Investor Information

### Reconciliation of Share Capital Audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital. The said certificate, duly certified by a qualified Chartered Accountant / Company Secretary is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days from the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

### Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders / Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Fintech Private Limited at the below mentioned address for speedy response.

### Karvy Fintech Private Limited

Unit: Reliance Power Limited  
Karvy Selenium, Tower – B, Plot No. 31 & 32  
Survey No. 116/22, 115/24, 115/25  
Financial District, Nanakramguda,  
Serilingampally,  
Hyderabad 500 032  
E-mail: [rpower@karvy.com](mailto:rpower@karvy.com)

Karvy Computershare Private Limited (KCPL), the erstwhile Registrar and Transfer Agent of the Company has transferred its operations to Karvy Fintech Private Limited (KFPL), with effect from November 17, 2018, pursuant to a composite Scheme of Arrangement and Amalgamation inter-alia between KCPL and KFPL.

### Shareholders / Investors can also send their complaints / grievances and other correspondence to the Compliance Officer of the Company at the following address:

The Company Secretary  
Reliance Power Limited  
Reliance Centre, Ground Floor,  
19, Walchand Hirachand Marg,  
Ballard Estate, Mumbai 400 001  
Tel. No. : +91 22 4303 1000  
Fax No. : +91 22 4303 3662  
E-mail: [reliancepower.investors@relianceada.com](mailto:reliancepower.investors@relianceada.com)

### Plant Locations

The Company and its subsidiary companies have their plants located as under:

| A.   | Name of the Company                            | Plant Capacity                   | Plant Location   |
|------|--|----------------------------------|--|
| i.   | Reliance Power Limited                         | 45 MW Wind Power                 | Village: Vashpet, Maharashtra  |
| B.   | Name of the Subsidiary Company                 | Plant Capacity                   | Plant Location   |
| i.   | Sasan Power Limited                            | 3,960 MW Coal Power (6 x 660 MW) | Near Village Sasan, Dist. Singrauli, Madhya Pradesh  |
| ii.  | Rosa Power Supply Company Limited              | 1,200 MW Coal Power (4 x 300 MW) | Administrative Block, Hardoi Road, P.O. Rosar Kothi, Tehsil : Sadar, Rosar Kothi, Shahjahanpur, 242 401 U.P. |
| iii. | Vidarbha Industries Power Limited              | 600 MW Coal Power (2 x 300 MW)   | Butibori, Dist. Nagpur, Maharashtra  |
| iv.  | Dhursar Solar Power Private Limited            | 40 MW Solar Power                | Village Dhursar, Dist. Jaisalmer, Rajasthan  |
| v.   | Rajasthan Sun Technique Energy Private Limited | 100 MW Solar Power               | Village Dhursar, Dist. Jaisalmer, Rajasthan  |

In addition, certain projects are under implementation as per details provided in the Management Discussion and Analysis Report.

# Reliance Power Limited

## Independent Auditors' Report

### To the Members of Reliance Power Limited

#### Report on the Audit of the Standalone Financial Statements Qualified Opinion

We have audited the standalone financial statements of Reliance Power Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

The Company has taken inter-corporate deposits from certain companies aggregating to ₹ 40,341 lakhs during the year ended March 31, 2019. The related party relationships of such companies with the Company have not been considered by the Company and /or determinable based on the information available. Had these companies been considered to be related parties, the Company would require prior approval/approval of the audit committee for these transactions in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act respectively, which has not been obtained. Also refer to Note 25 to the standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <b>Investments – evaluation of fair value of investments</b>  |   |
| The Company has investments in subsidiaries and associates. These investments are recognised at fair value through other comprehensive Income. Determination of fair value is subject to a significant level of judgement. Therefore, there is a risk that the value of investments may be misstated. Refer to note 3.3 (a) and 3.5 (a) – "Investments" of the standalone financial statements. | Besides obtaining an understanding of management's processes and controls with regard to testing the impairment of investment in unquoted equity and preference instruments in subsidiaries, our procedures included the following: |

Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 24 of the standalone financial statements. The factors, more fully described in the aforesaid Note, relating to losses incurred during the year, excess of current liabilities over current assets and loans aggregating to ₹ 262,164 lakhs that have fallen due and /or have been reclassified as current liabilities by the respective subsidiary companies for which the Company is sponsor guarantor indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Emphasis of Matter

We draw attention to Note 23 (b) of the standalone financial statements, wherein pursuant to the composite scheme of arrangement between the Company, Reliance Natural Resources Limited, erstwhile Reliance Futura Limited and four wholly owned subsidiaries, viz., Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited, which has been sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010, the Company is permitted to offset any expenses or losses which in the opinion of the Board of Directors are beyond the control of the Company, to be debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve, which overrides the relevant provisions of Ind AS – 1 'Presentation of financial statements'. During the year ended March 31, 2019, the Company has impaired receivable of ₹ 143,037 lakhs which were identified as an exceptional item by the Board of Directors of the Company, in terms of the aforesaid scheme. The said amount has been debited to the Statement of Profit and Loss and an amount of ₹ 101,702 lakhs has been withdrawn from General Reserve. Had such withdrawal not been made, loss before tax for the year ended March 31, 2019 would have been higher by ₹ 101,702 lakhs and General Reserve would have been higher by an equivalent amount. Our opinion is not modified in respect of the above matter.



## Independent Auditors' Report

| The key audit matter  | How the matter was addressed in our audit  |
|---|--|
|   | <ul style="list-style-type: none"> <li>Perused fair valuation reports of significant investments obtained from an independent external valuation expert engaged by the Company.</li> <li>Involved internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used;</li> <li>Evaluated the appropriateness of the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates;</li> <li>Assessed the appropriateness of the forecast cash flows within the budgeted period based on our understanding of the business;</li> <li>Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved;</li> <li>Performed a sensitivity analysis in relation to key assumptions; and</li> <li>Evaluated the appropriateness of the related disclosures in note 12 of the standalone financial statements.</li> </ul> |
| <b>Loans and advances – evaluation of adequacy of provision for loans and advances given</b>  |  |
| <p>The Company has granted loans and other advances to subsidiaries and other companies. These loans are fair valued and tested for impairment annually. If an impairment exists, the recoverable amounts of the loans are estimated in order to determine the extent of the impairment loss, if any. Determination of whether there exists any impairment in the value of loans is subject to a significant level of judgement.</p> <p>There is therefore a risk that the value of loans may be misstated. Refer to note 3.3(b) and 3.5(e) – of the standalone financial statements.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained independent confirmation of balances outstanding from loan recipients and traced the amounts confirmed to the books of account;</li> <li>Verified whether the requisite approvals were obtained for the loan given and ensured other compliances as required by the applicable regulation;</li> <li>Perused the audited financial statements of those entities to evaluate whether its net assets, being an approximation of its minimum recoverable amount, were in excess of the amounts due for assessing the repayment capability of the concerned entity;</li> <li>Verified the adequacy of the provision made by management, where applicable;</li> <li>Evaluated the adequacy of the related disclosures in note 12 of the standalone financial statements.</li> </ul>  |

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions

## Independent Auditors' Report

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - (A) As required by section 143(3) of the Act, we report that:
    - a) We have sought and except for the matter described in the Basis for Qualified Opinion section, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
    - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read

**Independent Auditors' Report**

- with relevant rules made thereunder.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.
- f) The going concern matter described in Material Uncertainty Related to Going Concern Section above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements - Refer note 4 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No:  
101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

Place : Mumbai  
Date : June 08, 2019

**For Pathak H.D. & Associates**  
Chartered Accountants  
Firm's Registration No:  
107783W

**Vishal D. Shah**  
Partner  
Membership No:119303

Place : Mumbai  
Date : June 08, 2019

## Annexure A to Independent Auditors' Report

### Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report in the Independent Auditors' Report of even date to the Members of Reliance Power Limited on the standalone financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) According to the information and explanations given to us and records examined by us, the title deeds of freehold land are in the name of erstwhile company i.e., Reliance Clean Power Limited which has merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to the scheme of amalgamation approved by Honorable High Court, with an appointed date of April 1, 2012.
- ii. The Company does not hold any inventory. Accordingly, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnership or other party covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3(iii)(a),(b) & (c) of the Order are not applicable.
- iv. Based on the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of sale of electricity where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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 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, goods and services tax, 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, 2019 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of value added tax, employee state insurance, sales tax, cess, duty of customs and duty of excise. Refer note 4 of standalone financial statement.

- (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, service tax and goods and services tax which have not been deposited on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks and in payment of dues to the debenture holders except for the following instances of delay/default in repayment of principal amounts and interest:

| Particulars                     | Amount of default as at the balance sheet date (₹ in lakhs) | Period of default |
|---------------------------------|---|-------------------|
| <b>Name of Lenders</b>          |   |                   |
| 1. Axis Bank Limited            |   |                   |
| a. Principal                    | 2,750   | 59 days           |
| b. Interest                     | 651   | 59 days           |
| 2. Yes Bank Limited             |   |                   |
| a. Principal                    | 9,876   | 59 days           |
| b. Interest                     | 1,030   | 58 days           |
| 3. The Laxmi Vilas Bank Limited |   |                   |
| a. Principal                    | 63  | 1 day             |
| b. Interest                     | 210   | 31 days           |
| 4. Axis Bank Limited Dubai      |   |                   |
| a. Principal                    | 377   | 1 day             |

The Company did not have any loans or borrowings from Government during the year.

- ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any monies by way of initial public offer or further public offer (including debt

**Annexure A to Independent Auditors' Report**

- instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of the clause 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, except for the transactions referred to in the Basis for Qualified opinion section of our report, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act. The details of related party transactions as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, have been disclosed in the standalone financial statements.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company, as legally advised, is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company. (Refer note 7 of the standalone financial statements).

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No:  
101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

Place : Mumbai  
Date : June 08, 2019

**For Pathak H.D. & Associates**  
Chartered Accountants  
Firm's Registration No:  
107783W

**Vishal D. Shah**  
Partner  
Membership No:119303

Place : Mumbai  
Date : June 08, 2019

## Annexure B to Independent Auditors' Report

### **Annexure B to the Independent Auditor's Report on the standalone financial statements of Reliance Power Limited for the year ended March 31, 2019**

#### **Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013**

#### **(Referred to in Paragraph 1(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial controls with reference to standalone financial statements of **Reliance Power Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2019 -

- The Company's internal financial controls over identification of related parties in accordance with the requirements of the applicable regulations were not operating effectively. This could potentially result in the Company entering into transactions with parties which are related to the Company without requisite approvals from the Board of Directors and Audit Committee and other compliances as required by the applicable regulations and could also result in non-disclosure of transactions with such related parties in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.



**Annexure B to Independent Auditors' Report**

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements as of March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2019.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements, and the material weakness has affected our opinion

on the standalone financial statements and we have issued a qualified opinion on the standalone financial statements.

**For B S R & Co. LLP**

Chartered Accountants  
Firm's Registration No:  
101248W/W-100022

**Bhavesh Dhupelia**

Partner  
Membership No: 042070

Place : Mumbai  
Date : June 08, 2019

**For Pathak H.D. & Associates**

Chartered Accountants  
Firm's Registration No:  
107783W

**Vishal D. Shah**

Partner  
Membership No:119303

Place : Mumbai  
Date : June 08, 2019

# Reliance Power Limited

## Balance Sheet as at March 31, 2019

|  |          |                      | ₹ in lakhs           |
|--|----------|----------------------|----------------------|
| Particulars  | Note No. | As at March 31, 2019 | As at March 31, 2018 |
| <b>ASSETS</b>  |          |                      |                      |
| <b>Non-current assets</b>  |          |                      |                      |
| Property, plant and equipment  | 3.1      | 28,797               | 29,897               |
| Intangible assets  | 3.2      | 7                    | 34                   |
| Financial assets:  |          |                      |                      |
| Investments  | 3.3(a)   | 17,74,421            | 19,00,759            |
| Loans  | 3.3(b)   | 1,19,775             | 2,29,331             |
| Other financial assets   | 3.3(c)   | 495                  | 200                  |
| Non-current tax assets   | 3.4      | 3,063                | 2,032                |
| <b>Total Non-current Assets</b>  |          | <b>19,26,558</b>     | <b>21,62,253</b>     |
| <b>Current assets</b>  |          |                      |                      |
| Financial assets:  |          |                      |                      |
| Investments  | 3.5(a)   | -                    | 1,80,729             |
| Trade receivables  | 3.5(b)   | 6,306                | 3,231                |
| Cash and cash equivalents  | 3.5(c)   | 772                  | 47,600               |
| Bank balances other than cash and cash equivalents                                     | 3.5(d)   | 12,985               | 14,376               |
| Loans  | 3.5(e)   | 97,005               | 1,59,466             |
| Other financial assets   | 3.5(f)   | 58,176               | 18,331               |
| Other current assets   | 3.6      | 2,077                | 3,890                |
| <b>Total Current Assets</b>  |          | <b>1,77,321</b>      | <b>4,27,623</b>      |
| Assets classified as held for sale   | 3.7      | 13,105               | 12,692               |
| <b>Total Assets</b>  |          | <b>21,16,984</b>     | <b>26,02,568</b>     |
| <b>EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>Equity</b>  |          |                      |                      |
| Equity share capital   | 3.8      | 2,80,513             | 2,80,513             |
| Other equity   | 3.9      | 10,05,052            | 14,95,898            |
| <b>Total Equity</b>  |          | <b>12,85,565</b>     | <b>17,76,411</b>     |
| <b>Liabilities</b>   |          |                      |                      |
| <b>Non-current liabilities</b>   |          |                      |                      |
| Financial liabilities  |          |                      |                      |
| Borrowings   | 3.10(a)  | 84,155               | 2,00,744             |
| Other financial liabilities  | 3.10(b)  | 2,437                | 4,458                |
| Provisions   | 3.11     | 79                   | 66                   |
| Deferred tax liabilities (net)   | 3.12     | -                    | 1,252                |
| <b>Total Non-current liabilities</b>   |          | <b>86,671</b>        | <b>2,06,520</b>      |
| <b>Current liabilities</b>   |          |                      |                      |
| Financial liabilities  |          |                      |                      |
| Borrowings   | 3.13(a)  | 6,03,341             | 5,30,878             |
| Trade payables   | 3.13(b)  |                      |                      |
| Total Outstanding dues of micro enterprises and small enterprises                      |          | 1                    | -                    |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises |          | 2,794                | 1,479                |
| Other financial liabilities  | 3.13(c)  | 93,878               | 80,376               |
| Other current liabilities  | 3.14     | 44,706               | 6,852                |
| Provisions   | 3.15     | 28                   | 52                   |
| <b>Total Current liabilities</b>   |          | <b>7,44,748</b>      | <b>6,19,637</b>      |
| <b>Total Equity and Liabilities</b>  |          | <b>21,16,984</b>     | <b>26,02,568</b>     |
| Significant accounting policies  | 2        |                      |                      |
| Notes to financial statements  | 3 to 30  |                      |                      |
| The accompanying notes are an integral part of these financial statements.             |          |                      |                      |

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

For and on behalf of the Board of Directors

**Anil D Ambani**

Chairman

**Sateesh Seth**

**K. Ravikumar**

**D. J. Kakalia**

**Rashna Khan**

} Director

**Bhavesh Dhupelia**

Partner

Membership No: 042070

**Vishal D. Shah**

Partner

Membership No: 119303

**K. Raja Gopal**

**Shrenik R Vaishnav**

**Murli Manohar Purohit**

Place : Mumbai

Date : June 08, 2019

Whole-time Director & CEO

Chief Financial Officer

Company Secretary

Place : Mumbai

Date : June 08, 2019

Place : Mumbai

Date : June 08, 2019

**Statement of Profit and Loss for the year ended March 31, 2019**

|   |           |                           | ₹ in lakhs                |
|---|-----------|---------------------------|---------------------------|
| Particulars   | Note No.  | Year ended March 31, 2019 | Year ended March 31, 2018 |
| Revenue from operations   | 3.16      | 4,338                     | 4,427                     |
| Other income  | 3.17(a)   | 30,158                    | 44,523                    |
| <b>Total Income</b>   |           | <b>34,496</b>             | <b>48,950</b>             |
| <b>Expenses</b>   |           |                           |                           |
| Employee benefits expense   | 3.18      | 1,169                     | 1,528                     |
| Finance costs   | 3.19      | 47,662                    | 40,678                    |
| Depreciation and amortization expense   | 3.1 & 3.2 | 1,744                     | 1,536                     |
| Other expenses  | 3.20      | 4,416                     | 5,143                     |
| <b>Total expenses</b>   |           | <b>54,991</b>             | <b>48,885</b>             |
| <b>Profit/ (Loss) before exceptional items and tax</b>  |           | <b>(20,495)</b>           | <b>65</b>                 |
| <b>Exceptional items</b>  | 23(b)     |                           |                           |
| Written down in the value of advances   |           | (1,43,037)                | -                         |
| Less : amount withdrawn from General reserve (arisen pursuant to the Composite Scheme of Arrangement)               |           | 1,01,702                  | -                         |
|   |           | <b>(41,335)</b>           | <b>-</b>                  |
| <b>Profit/ (Loss) before tax</b>  |           | <b>(61,830)</b>           | <b>65</b>                 |
| <b>Income tax expense</b>   |           |                           |                           |
| Current tax   | 15        | -                         | -                         |
| Deferred tax  | 15        | (1,252)                   | 321                       |
| <b>Loss from Continuing Operations</b>  |           | <b>(60,578)</b>           | <b>(256)</b>              |
| <b>Discontinued Operations:</b>   |           |                           |                           |
| Profit before tax from Discontinued Operations  | 3.17(b)   | 412                       | 481                       |
| Tax Expense of Discontinued Operations  |           | -                         | -                         |
| <b>Profit from Discontinued Operations</b>  |           | <b>412</b>                | <b>481</b>                |
| <b>Profit/ (Loss) for the year</b>  |           | <b>(60,166)</b>           | <b>225</b>                |
| <b>Other Comprehensive Income</b>   |           |                           |                           |
| <b>Items that will not be reclassified to profit or loss</b>  |           |                           |                           |
| Remeasurements of post-employment benefit obligation (net)  |           | (1)                       | 201                       |
| Changes in fair value of equity instruments in subsidiaries   |           | (3,25,577)                | 98,373                    |
| Gains / (Losses) from investments in equity instruments designated at fair value through Other Comprehensive Income |           | 15                        | -                         |
| <b>Other Comprehensive Income / (expense) for the year</b>  |           | <b>(3,25,563)</b>         | <b>98,574</b>             |
| <b>Total Comprehensive Income / (expense) for the year</b>  |           | <b>(3,85,729)</b>         | <b>98,799</b>             |
| <b>Earnings per equity share: (Face value of ₹ 10 each)</b>   |           |                           |                           |
| <b>for continuing Operations</b>  | 14        |                           |                           |
| Basic and Diluted (₹)- for continuing operations (before effect of withdrawal from scheme)                          |           | (5.785)                   | (0.009)                   |
| Basic and Diluted (₹)- for continuing operations (after effect of withdrawal from scheme)                           |           | (2.160)                   | (0.009)                   |
| <b>for Discontinuing Operations (Basic and Diluted) (₹)</b>   |           | <b>0.015</b>              | <b>0.017</b>              |
| <b>for Discontinuing and Continuing Operations (Basic and Diluted)</b>  |           |                           |                           |
| Before effect of withdrawal from scheme (₹)   |           | (5.770)                   | 0.008                     |
| After effect of withdrawal from scheme (₹)  |           | (2.145)                   | 0.008                     |
| Significant accounting policies   | 2         |                           |                           |
| Notes to financial statements   | 3 to 30   |                           |                           |
| The accompanying notes are an integral part of these financial statements.  |           |                           |                           |

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

For and on behalf of the Board of Directors

**Anil D Ambani**

Chairman

**Sateesh Seth**
**K. Ravikumar**
**D. J. Kakalia**
**Rashna Khan**

} Director

**Bhavesh Dhupelia**

Partner

Membership No: 042070

**Vishal D. Shah**

Partner

Membership No: 119303

**K. Raja Gopal**
**Shrenik R Vaishnav**
**Murli Manohar Purohit**

Whole-time Director &amp; CEO

Chief Financial Officer

Company Secretary

Place : Mumbai

Date : June 08, 2019

Place : Mumbai

Date : June 08, 2019

Place : Mumbai

Date : June 08, 2019

**Statement of changes in equity as at March 31, 2019**

| A. Equity Share Capital (Refer note 3.8)                   |                     | ₹ in lakhs        |                 |                              |   |                 |   |   |  |           |
|--|---------------------|-------------------|-----------------|------------------------------|---|-----------------|---|---|--|-----------|
| Balance as at March 31, 2017                               |                     | 2,80,513          |                 |                              |   |                 |   |   |  |           |
| Changes in equity share capital                            | -                   |                   |                 |                              |   |                 |   |   |  |           |
| Balance as at March 31, 2018                               | <u>2,80,513</u>     |                   |                 |                              |   |                 |   |   |  |           |
| Changes in equity share capital                            | -                   |                   |                 |                              |   |                 |   |   |  |           |
| Balance as at March 31, 2019                               | <u>2,80,513</u>     |                   |                 |                              |   |                 |   |   |  |           |
|  |                     |                   |                 |                              |   |                 |   |   |  |           |
| B. Other Equity (Refer note 3.9)                           |                     | ₹ in lakhs        |                 |                              |   |                 |   |   |  |           |
|  | Reserve and Surplus |                   |                 |                              |   |                 |   |   |  |           |
|  | Securities Premium  | Retained Earnings | Capital Reserve | Debenture Redemption Reserve | Foreign currency monetary item translation difference account | Treasury Shares | Equity instruments through Other Comprehensive Income | Capital Reserve (Arisen pursuant to scheme of amalgamation) | General Reserve (Arisen pursuant to various schemes) | Total     |
| Balance as at March 31, 2017                               | 11,05,454           | (10,988)          | 1,958           | 5,045                        | 9,340   | (4,130)         | 89,671  | 59,995  | 1,43,393   | 13,99,738 |
| Profit for the year  | -                   | 225               | -               | -                            | -   | -               | -   | -   | -  | 225       |
| Remeasurements of post-employment benefit obligation (net) | -                   | 201               | -               | -                            | -   | -               | -   | -   | -  | 201       |
| Other Comprehensive Income for the year                    | -                   | -                 | -               | -                            | -   | -               | 98,367  | -   | -  | 98,367    |
| Gain on sale of Investment                                 | -                   | -                 | -               | -                            | -   | -               | 6   | -   | -  | 6         |
| Total Comprehensive Income for the year                    | -                   | 426               | -               | -                            | -   | -               | 98,373  | -   | -  | 98,799    |
| Transfer from Debenture Redemption Reserve                 | -                   | 14,000            | -               | (14,000)                     | -   | -               | -   | -   | -  | -         |
| Transfer to Debenture Redemption Reserve                   | -                   | (13,638)          | -               | 13,638                       | -   | -               | -   | -   | -  | -         |
| Addition during the year                                   | -                   | -                 | -               | -                            | 580   | -               | -   | -   | -  | 580       |
| Amortisation during the year                               | -                   | -                 | -               | -                            | (6,504)   | -               | -   | -   | -  | (6,504)   |
| Sale of ESOS Shares  | -                   | -                 | -               | -                            | -   | 3,285           | -   | -   | -  | 3,285     |
| Balance as at March 31, 2018                               | 11,05,454           | (10,200)          | 1,958           | 4,683                        | 3,416   | (845)           | 1,88,044  | 59,995  | 1,43,393   | 14,95,898 |

## Statement of changes in equity as at March 31, 2019

₹ in lakhs

|  | Reserve and Surplus |                   |                 |                              |   |                 |   |   | Total  |
|--|---------------------|-------------------|-----------------|------------------------------|---|-----------------|---|---|--|
|  | Securities Premium  | Retained Earnings | Capital Reserve | Debenture Redemption Reserve | Foreign currency monetary item translation difference account | Treasury Shares | Equity instruments through Other Comprehensive Income | Capital Reserve (Arisen pursuant to scheme of amalgamation) | General Reserve (Arisen pursuant to various schemes) |
| Loss for the year  | -                   | (60,166)          | -               | -                            | -   | -               | -   | -   | (60,166)   |
| Remeasurements of post-employment benefit obligation (net) | -                   | -                 | -               | -                            | -   | -               | (1)   | -   | (1)  |
| Other Comprehensive Income / (expense) for the year        | -                   | -                 | -               | -                            | -   | -               | (3,25,577)  | -   | (3,25,577)   |
| Gain on sale of Investment                                 | -                   | -                 | -               | -                            | -   | -               | 15  | -   | 15   |
| <b>Total Comprehensive Income / (expense) for the year</b> | -                   | <b>(60,166)</b>   | -               | -                            | -   | -               | <b>(3,25,563)</b>                                     | -   | <b>(3,85,729)</b>                                    |
| Withdrawal from General Reserve (Refer note 23(b))         | -                   | -                 | -               | -                            | -   | -               | -   | (1,01,702)  | (1,01,702)   |
| Addition during the year                                   | -                   | -                 | -               | -                            | 11,150  | -               | -   | -   | 11,150   |
| Amortisation during the year                               | -                   | -                 | -               | -                            | (14,565)  | -               | -   | -   | (14,565)   |
| <b>Balance as at March 31, 2019</b>                        | <b>11,05,454</b>    | <b>(70,366)</b>   | <b>1,958</b>    | <b>4,683</b>                 | <b>1</b>  | <b>(845)</b>    | <b>(1,37,519)</b>                                     | <b>59,995</b>   | <b>41,691</b>  |
|  |                     |                   |                 |                              |   |                 |   |   | <b>10,05,052</b>                                     |

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

**Bhavesh Dhupelia**

Partner

Membership No: 042070

Place : Mumbai

Date : June 08, 2019

**Vishal D. Shah**

Partner

Membership No: 119303

Place : Mumbai

Date : June 08, 2019

For and on behalf of the Board of Directors

Chairman

**Anil D Ambani**
**Sateesh Seth**
**K. Ravikumar**
**D. J. Kakalia**
**Rashna Khan**

Director

**K. Raja Gopal**
**Shrenik R Vaishnav**
**Murl Manohar Purohit**

Place : Mumbai

Date : June 08, 2019

Whole-time Director &amp; CEO

Chief Financial Officer

Company Secretary

# Reliance Power Limited

## Cash Flow Statement for the year ended March 31, 2019

₹ in lakhs

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>(A) Cash flow from / (used in) operating activities</b>  |                              |                              |
| Profit / (Loss) before tax  | (61,830)                     | 65                           |
| Adjusted for :  |                              |                              |
| Depreciation and amortisation   | 1,744                        | 1,536                        |
| Finance costs   | 47,662                       | 40,678                       |
| Income on corporate guarantee   | (3,210)                      | (11,093)                     |
| Interest income   | (10,458)                     | (16,631)                     |
| Unrealised gain on foreign exchange fluctuations (Net)  | (14,565)                     | (6,537)                      |
| Loss on sale of assets  | -                            | 3                            |
| Provision for doubtful debts  | 126                          | -                            |
| Provision/ impairment for loans (net)   | 41,335                       | 122                          |
| Provision for leave encashment and gratuity   | 16                           | 110                          |
| Operating Profit before working capital changes   | 820                          | 8,253                        |
| Change in operating assets and liabilities:   |                              |                              |
| (Increase) / decrease in trade receivables  | (3,075)                      | (1,000)                      |
| (Increase) / decrease in other financial assets   | (11,343)                     | (7,853)                      |
| (Increase) / decrease in other current assets   | (891)                        | (304)                        |
| Increase / (decrease) in trade payables   | 1,316                        | (1,274)                      |
| Increase / (decrease) in other financial liabilities  | (7,187)                      | 7,257                        |
| Increase / (decrease) in other current liabilities  | 873                          | 104                          |
|   | (20,307)                     | (3,070)                      |
| Taxes (paid) (Net)  | (1,032)                      | (191)                        |
| <b>Net cash (used in) / generated from operating activities - Continuing Operations</b>                   | <b>(20,519)</b>              | <b>4,992</b>                 |
| <b>Net cash (used in) / generated from operating activities - Discontinuing Operations</b>                | <b>-</b>                     | <b>-</b>                     |
| <b>Net cash (used in) / generated from operating activities - Continuing and Discontinuing Operations</b> | <b>(20,519)</b>              | <b>4,992</b>                 |
| <b>(B) Cash flow from / (used in) investing activities</b>  |                              |                              |
| Payment for property, plant and equipments  | (5)                          | (46)                         |
| Proceeds from sale of property, plant and equipments  | 1                            | 14                           |
| Dividend income   | -                            | 2,674                        |
| Interest on bank and other deposits (net)   | 2,623                        | 2,616                        |
| Inter corporate deposits given to subsidiaries  | (76,624)                     | (1,12,483)                   |
| Refund of inter corporate deposits from subsidiaries (net)  | 43,127                       | 87,115                       |
| Refund of inter corporate deposits from related parties/others  | 7,443                        | (7,443)                      |
| Sale of equity and preference shares in subsidiaries  | 15                           | 10,593                       |
| Other advances to subsidiaries (Net)  | (310)                        | 1,351                        |
| Sale of investments in ESOS Trust   | -                            | 3,285                        |
| Loan to employees   | 1                            | (1)                          |
| Fixed deposit (including Margin money deposit) having original maturity of more than three months         | 1,097                        | 23,139                       |
| <b>Net cash (used in) / generated from investing activities - Continuing Operations</b>                   | <b>(22,632)</b>              | <b>10,814</b>                |
| <b>Net cash (used in) / generated from investing activities - Discontinuing Operations</b>                | <b>-</b>                     | <b>-</b>                     |
| <b>Net cash (used in) / generated from investing activities - Continuing and Discontinuing Operations</b> | <b>(22,632)</b>              | <b>10,814</b>                |



**Cash Flow Statement for the year ended March 31, 2019**

₹ in lakhs

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>(C) Cash flow from / (used in) financing activities</b>                                    |                              |                              |
| Inter corporate deposits from subsidiaries  | 22,340                       | 1,45,653                     |
| Refund of inter corporate deposits to subsidiaries  | (29,787)                     | (97,979)                     |
| Advances from subsidiaries (net)  | 35,909                       | 1,093                        |
| Inter corporate deposits received from related party  | 1,61,699                     | 99,106                       |
| Inter corporate deposit repaid to related party   | (80,366)                     | (1,35,714)                   |
| Inter corporate deposits received from others   | 42,341                       | 21,601                       |
| Proceeds from issue of non- convertible Debenture   | -                            | 1,00,000                     |
| Redemption of non- convertible Debenture  | (20,500)                     | (56,000)                     |
| Proceeds from issue of commercial paper   | -                            | 17,750                       |
| Repayment of commercial paper   | (10,000)                     | (10,750)                     |
| Repayment of working capital (Net)  | (1,170)                      | (6)                          |
| Interest and finance charges  | (34,325)                     | (34,680)                     |
| Proceeds from rupee term loan   | -                            | 46,811                       |
| Repayment of rupee term loan  | (88,686)                     | (65,800)                     |
| Repayment of foreign currency loan  | (1,132)                      | (1,363)                      |
| <b>Net cash generated from financing activities - Continuing Operations</b>                   | <b>(3,677)</b>               | <b>29,722</b>                |
| <b>Net cash generated from financing activities - Discontinuing Operations</b>                | <b>-</b>                     | <b>-</b>                     |
| <b>Net cash generated from financing activities - Continuing and Discontinuing Operations</b> | <b>(3,677)</b>               | <b>29,722</b>                |
| <b>Net (Decrease) / Increase in cash and cash equivalents (A+B+C)</b>                         | <b>(46,828)</b>              | <b>45,528</b>                |
| <b>Opening Balance of cash and cash equivalents</b>   | <b>47,600</b>                | <b>2,072</b>                 |
| <b>Closing balance of cash and cash equivalents *</b>   | <b>772</b>                   | <b>47,600</b>                |

\* Includes restricted cash and cash equivalents of ₹ Nil (March 31, 2018 ₹ 36,085 lakhs)

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**Bhavesh Dhupelia**

Partner

Membership No: 042070

Place : Mumbai

Date : June 08, 2019

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

**Vishal D. Shah**

Partner

Membership No: 119303

Place : Mumbai

Date : June 08, 2019

For and on behalf of the Board of Directors

**Anil D Ambani**

Chairman

**Sateesh Seth**
**K. Ravikumar**
**D. J. Kakalia**
**Rashna Khan**

} Director

**K. Raja Gopal**
**Shrenik R Vaishnav**
**Murli Manohar Purohit**

Whole-time Director &amp; CEO

Chief Financial Officer

Company Secretary

Place : Mumbai

Date : June 08, 2019

### 1. General information

Reliance Power Limited ("the Company") together with its subsidiaries ("the Reliance Power Group") is primarily engaged in the business of generation of power. The projects under development include coal, gas, hydro, wind and solar based energy projects. The portfolio of the Reliance Power Group also includes Ultra Mega Power Projects (UMPPs).

The Company is a public limited company and its equity shares are listed on two recognised stock exchanges in India and is incorporated and domiciled in India under the provisions of the Companies Act, 1956. The registered office of the Company is located at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710.

These financial statements were authorised for issue by the Board of Directors on June 08, 2019.

### 2. Significant accounting policies and critical accounting estimate and judgments

#### 2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

###### Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 ("the Act").

###### Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets that are measured at fair value;
- Equity instruments in subsidiaries at fair value.

###### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

###### Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

###### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes to the Financial Statements for the year ended March 31, 2019

(b) **Recent accounting pronouncements effective during the year**

**Change due to transition to Ind AS 115- "Revenue from Contract with Customers"**

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which include Indian Accounting Standard (Ind AS) 115 in respect of 'Revenue from Contracts with Customers' which has replaced inter alia, the existing Ind AS 18 'Revenue' and is mandatory for reporting periods beginning on or after April 1, 2018.

The Company has applied Ind AS 115 prospectively.

**New standards or interpretations issued but not yet effective**

The Company will apply the following standard for the first time for its annual reporting period commencing April 1, 2019:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These other amendments come into force on April 1, 2019.

**Ind AS - 12 "Income taxes", Appendix C - Uncertainty over income tax treatments**

The appendix explains how to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

**Ind AS - 12 "Income taxes"**

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

**Ind AS - 19 "Employee benefits", Plan amendment, curtailment or settlement**

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

**Ind AS - 23 "Borrowing costs"**

The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

**Ind AS - 116 "Leases"**

Ind AS 116 "Leases" was notified on March 30, 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single lessee accounting model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17.

Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in process of evaluating the requirements of the standard and its impact on its financial statements.

(c) **Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost which includes capitalised borrowing cost less depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## Notes to the Financial Statements for the year ended March 31, 2019

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

### Depreciation methods, estimated useful life and residual value

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

| Particulars                                     | Estimated useful life (Years) |
|---|-------------------------------|
| Plant and equipment (wind equipment)            | 22                            |
| Plant and equipment (other than wind equipment) | 15                            |
| Furniture and fixtures                          | 10                            |
| Office equipments                               | 5                             |
| Computer  | 3                             |

Estimated useful life, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

### (d) Intangible assets

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.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "intangible assets under development".

### Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer software is amortised over an estimated useful life of 3 years.

### (e) Operating Lease

In respect of operating lease, lease rent is expensed on Straight Line basis with reference to the term of lease unless the lease rent is structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Where the lessor effectively retains substantially all risks and benefits of the ownership of the leased assets, lease is classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

### (f) Impairment of non-financial assets

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (g) Trade Receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment, if any.

### (h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

## Notes to the Financial Statements for the year ended March 31, 2019

**Investments and other financial assets****(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments in subsidiaries, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**(ii) Measurement**

At initial recognition, the Company measures financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through Other Comprehensive Income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair Value through Profit or Loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity investments**

The Company subsequently measures all equity investments in subsidiaries at fair value. The Company's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109- 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) **Derecognition of financial assets**

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) **Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(i) **Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(j) **Financial liabilities**

(i) **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(ii) **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(iii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Borrowings**

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.



Notes to the Financial Statements for the year ended March 31, 2019

**Trade and other payables**

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

**Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time when guarantee is issued. The liability is initially recognised at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are credited to the Statement of Profit and Loss over the guarantee period using the systematic method. Financial guarantee contract issued by the Company are measured at fair value at the time of issue of guarantee or amendment in terms of guarantees.

(iv) **Derecognition**

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(k) **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(l) **Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**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. A present obligation that arises from past events but it is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability is termed as contingent liability.

**Contingent Assets**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

(m) **Foreign currency translation**

(i) **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (₹), which is the Company's functional and presentation currency.

(ii) **Transactions and balances**

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (b) All exchange differences arising on reporting on foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (c) In respect of foreign exchange differences arising on restatement or settlement of long term foreign currency monetary items, the Company has availed the option available in Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein:
  - Foreign exchange differences on account of depreciable asset, are 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.
- (d) 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.

(n) **Revenue from Contracts with Customers and Other Income**

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable for goods supplied, stated net of discounts, returns and value added taxes.

(i) **Sale of energy**

The Company has adopted Ind AS 115 using cumulative effect method with effect of initially applying this standard recognized at the date of initial application (i.e. April 01, 2018). Accordingly, the information presented as on and for the year ended March 31, 2018 has not been restated. Further, disclosure requirements under Ind AS 115 have not been applied to comparative information. Refer note 3.16 Revenue from operations for the revenue recognition as per Ind AS 18.

Revenue from operations comprises of sale of power. Revenue is recognized at an amount that reflect the consideration for which the Company expects to be entitled in exchange for transfer of power (goods / service) to the customer.

Revenue from sale of power is accounted for in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of Maharashtra Electricity Regulatory Commission (MERC) and no significant uncertainty as to the measurability or collectability exist.

There is no impact on the adoption of the standard in the financial statement as the Company's revenue primarily comprised of revenue from sale of power and the recognition criteria of this revenue stream is largely unchanged by Ind AS 115.

(ii) **Service income**

Service income represents income from support services recognised as per the terms of the service agreements entered into with the respective parties.

(iii) **Income on Generation Based Incentive**

Income on Generation Based incentive is accounted on accrual basis considering eligibility for project for availing the incentive.

(o) **Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes to the Financial Statements for the year ended March 31, 2019

**Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post employment obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund and superannuation fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

**Provident fund**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Superannuation**

Certain employees of the Company are participants in a defined contribution plan wherein, the Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Life Insurance Company Limited.

(p) **Employee stock option scheme (ESOS)**

**ESOS Scheme**

The employees of the Company are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS Plan of the Company.

The fair value of options granted under the ESOS Plan is recognised as an employee benefit expense with a corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### ESOS Trust

The Company's ESOS Scheme is administered through Reliance Power ESOS Trust ("RPET"). The Company treats the RPET as its extension and shares held by RPET are treated as treasury shares and accordingly RPET has been consolidated in the Company's books.

### (q) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business, exclusively with a view to sale.

The results of discontinued operations are presented separately in the statement of Profit and Loss.

### (r) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity.

### (s) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, demand deposits with banks, 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.

### (t) Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Notes to the Financial Statements for the year ended March 31, 2019**

**(u) 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.

**(v) Segment reporting**

The operating segment has been identified and reported taking into account its internal financial reporting, performance evaluation and organizational structure of its operations. Operating segment is reported in the manner evaluated by Board, considered as Chief Operating Decision Maker under Ind AS 108 "Operating Segment".

**(w) Business combinations**

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- (iii) Adjustments are only made to harmonise accounting policies.
- (iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (v) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.
- (vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- (vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

**(x) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(y) Exceptional items**

The Company discloses certain financial information both including / excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of underlying operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either size or nature so as to facilitate the comparison with prior period and to assess underlying trends in financial performance of the Company.

**2.2 Critical accounting estimates and judgements**

The preparation of the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Useful lives of Property, Plant and Equipment**

The Company has estimated its useful lives of wind power assets based on the expected wear and tear, industry trends etc. In actual, the wear and tear can be different. When the useful lives differ from the original estimated useful lives, the Company will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, Plant and Equipment.

**(b) Income taxes**

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company is eligible to claim tax holiday on income generated from wind power generation. The deferred tax on temporary differences which are reversing after the tax holiday period have been estimated considering future projections and Company's plan to start claiming tax holiday in certain years. It is possible that this estimate may be different to the actual outcome within the next financial periods and could cause material adjustments to the deferred tax recognised in financial statements. (Refer note 15)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(c) Fair value measurement and valuation process**

The Company measured its investments in equity shares of subsidiaries at fair value and certain financial assets and liabilities for financial reporting purposes.

The fair values of investments in subsidiaries are not quoted in an active market and are determined by using valuation techniques, primarily earnings multiples and discounted cash flows. The models used to determine fair values including estimates / judgements involved are validated and periodically reviewed by the management. The inputs used in the valuation models include unobservable data of the Companies which are categorised within level III fair value measurements. They are based on historical experience, technical evaluation and other factors, including expectations of future events. Considering the level of estimation involved and unobservable inputs, the Company has engaged a third party qualified valuer to perform the valuation. Based on the actual performance of respective subsidiaries project, the inputs considered for valuation may vary materially and could cause a material adjustment to carrying amount of investments. (Refer note 16)

**(d) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment of financial assets and credit risk exposure. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income / expense in the statement of profit and loss (P&L).

**(e) Estimation of employee benefit obligation**

Refer note 2.1 (o)



## Notes to the Financial Statements for the year ended March 31, 2019

3.1 Property, Plant and Equipment<sup>2</sup>

₹ in lakhs

|   | Freehold<br>land | Plant and<br>equipment | Furniture<br>and<br>fixtures | Motor<br>vehicles | Office<br>equipment | Computers | Total         |
|---|------------------|------------------------|------------------------------|-------------------|---------------------|-----------|---------------|
| <b>Gross carrying amount</b>                |                  |                        |                              |                   |                     |           |               |
| As at April 01, 2017                        | 1,790            | 32,429                 | 44                           | 139               | 5                   | 122       | 34,529        |
| Additions during the year                   | -                | -                      | 1                            | 39                | 3                   | 3         | 46            |
| Adjustments                                 | -                | 32                     | -                            | -                 | -                   | -         | 32            |
| Deductions during the year                  | -                | 13                     | -                            | 74                | -                   | 47        | 134           |
| Carrying amount as at March 31, 2018        | 1,790            | 32,448                 | 45                           | 104               | 8                   | 78        | 34,473        |
| Additions during the year                   | -                | -                      | @                            | -                 | 1                   | 4         | 5             |
| Adjustments                                 | -                | 612                    | -                            | -                 | -                   | -         | 612           |
| Deductions during the year                  | -                | -                      | -                            | 14                | -                   | 1         | 15            |
| <b>Carrying amount as at March 31, 2019</b> | <b>1,790</b>     | <b>33,060</b>          | <b>45</b>                    | <b>90</b>         | <b>9</b>            | <b>81</b> | <b>35,075</b> |
| <b>Accumulated depreciation</b>             |                  |                        |                              |                   |                     |           |               |
| Balance as at April 01, 2017                | -                | 3,058                  | 33                           | 62                | 3                   | 61        | 3,217         |
| Charge for the year                         | -                | 1,420                  | 1                            | 32                | 2                   | 20        | 1,475         |
| Deductions during the year                  | -                | -                      | -                            | 72                | -                   | 44        | 116           |
| Balance as at March 31, 2018                | -                | 4,478                  | 34                           | 22                | 5                   | 37        | 4,576         |
| Charge for the year                         | -                | 1,673                  | 1                            | 30                | 2                   | 11        | 1,717         |
| Deductions during the year                  | -                | -                      | -                            | 14                | -                   | 1         | 15            |
| <b>Balance as at March 31, 2019</b>         | <b>-</b>         | <b>6,151</b>           | <b>35</b>                    | <b>38</b>         | <b>7</b>            | <b>47</b> | <b>6,278</b>  |
| <b>Net carrying amount</b>                  |                  |                        |                              |                   |                     |           |               |
| As at March 31, 2018                        | 1,790            | 27,970                 | 11                           | 82                | 3                   | 41        | 29,897        |
| <b>As at March 31, 2019</b>                 | <b>1,790</b>     | <b>26,909</b>          | <b>10</b>                    | <b>52</b>         | <b>2</b>            | <b>34</b> | <b>28,797</b> |

**Notes:**

1) Adjustment represents exchange differences capitalised (Refer note 20)

2) Out of above Property, Plant and Equipment of ₹ 28,683 lakhs (March 31, 2018: ₹ 29,740 lakhs) has been pledged as security (Refer note 11)

@ Amount below the rounding off norms adopted by the Company

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

### 3.2 Intangible assets

₹ in lakhs

| Particulars                                 | Computer Software        |
|---|--------------------------|
| <b>Gross carrying amount</b>                |                          |
| As at April 01, 2017                        | 286                      |
| Additions during the year                   | -                        |
| Carrying amount as at March 31, 2018        | 286                      |
| Additions during the year                   | -                        |
| <b>Carrying amount as at March 31, 2019</b> | <b>286</b>               |
| <b>Particulars</b>                          | <b>Computer Software</b> |
| <b>Accumulated amortisation</b>             |                          |
| As at April 01, 2017                        | 192                      |
| Charge for the year                         | 60                       |
| Balance as at March 31, 2018                | 252                      |
| Charge for the year                         | 27                       |
| <b>Balance as at March 31, 2019</b>         | <b>279</b>               |
| <b>Net carrying amount</b>                  |                          |
| As at March 31, 2018                        | 34                       |
| <b>As at March 31, 2019</b>                 | <b>7</b>                 |

#### Note:

Intangible assets are other than internally generated.

### 3.3 Non-current financial assets

| Particulars | Face Value<br>₹ | As at March 31, 2019 |            | As at March 31, 2018 |            |
|-------------|-----------------|----------------------|------------|----------------------|------------|
|             |                 | No. of Shares        | ₹ in lakhs | No. of Shares        | ₹ in lakhs |

#### 3.3(a) Investments

##### A) Equity share (unquoted, fully paid-up)

##### I In Subsidiaries (Fair value through Other Comprehensive Income)

|  |    |              |          |              |          |
|--|----|--------------|----------|--------------|----------|
| Chitrangi Power Private Limited  | 10 | 10,000       | -        | 10,000       | -        |
| Coastal Andhra Power Limited   | 10 | 60,30,70,000 | -        | 60,30,70,000 | -        |
| Dhursar Solar Power Private Limited  | 10 | 9,04,000     | 18,901   | 9,04,000     | 16,251   |
| Kalai Power Private Limited  | 10 | 2,79,150     | 1,341    | 2,79,150     | 1,757    |
| Maharashtra Energy Generation Limited  | 10 | 75,000       | -        | 75,000       | -        |
| Rajasthan Sun Technique Energy Private Limited                                 | 10 | 28,56,350    | -        | 28,56,350    | 37,885   |
| Reliance CleanGen Limited  | 10 | 2,25,50,000  | -        | 2,25,50,000  | -        |
| Reliance Coal Resources Private Limited  | 10 | 20,99,335    | -        | 20,99,335    | -        |
| Reliance Natural Resources (Singapore) Pte. Limited (Face value of USD 1 each) |    | 1,00,000     | 42       | 1,00,000     | 42       |
| Reliance Natural Resources Limited   | 5  | 1,00,000     | -        | 1,00,000     | 5        |
| Rosa Power Supply Company Limited  | 10 | 42,44,05,000 | 4,45,529 | 42,44,05,000 | 4,30,868 |

Notes to the Financial Statements for the year ended March 31, 2019

| Particulars                                 | Face Value<br>₹ | As at March 31, 2019 |                 | As at March 31, 2018 |                  |
|---|-----------------|----------------------|-----------------|----------------------|------------------|
|   |                 | No. of Shares        | ₹ in lakhs      | No. of Shares        | ₹ in lakhs       |
| Reliance Green Power Private Limited        | 10              | 25,744               | -               | 25,744               | -                |
| Samalkot Power Limited                      | 10              | 60,00,000            | -               | 60,00,000            | -                |
| Sasan Power Limited                         | 10              | 4,32,73,64,250       | 4,73,652        | 4,32,73,64,250       | 5,47,236         |
| Shangling Hydro Power Private Limited       | 10              | 58,800               | 448             | 58,800               | 489              |
| Siyom Hydro Power Private Limited           | 10              | 3,39,600             | -               | 3,39,600             | -                |
| Tato Hydro Power Private Limited            | 10              | 1,50,800             | -               | 1,50,800             | 159              |
| Teling Hydro Power Private Limited          | 10              | 1,09,400             | 940             | 1,09,400             | 995              |
| Urthing Sobla Hydro Power Private Limited   | 10              | 16,040               | 23              | 16,040               | 29               |
| Vidarbha Industries Power Limited           | 10              | 11,26,656            | 14,833          | 11,26,656            | 17,009           |
| Atos Mercantile Private Limited             | 10              | 10,000               | -               | 10,000               | -                |
| Atos Trading Private Limited                | 10              | 10,000               | -               | 10,000               | -                |
| Coastal Andhra Power Infrastructure Limited | 10              | 1,45,200             | 22              | 1,45,200             | 35               |
| Reliance Prima Limited                      | 10              | 50,000               | -               | 50,000               | -                |
| <b>Total A</b>                              |                 |                      | <b>9,55,731</b> |                      | <b>10,52,760</b> |

**II In Associates (valued at cost)**

|                                   |    |       |   |       |   |
|-----------------------------------|----|-------|---|-------|---|
| RPL Sun Power Private Limited     | 10 | 5,000 | @ | 5,000 | @ |
| RPL Photon Private Limited        | 10 | 5,000 | @ | 5,000 | @ |
| RPL Sun Technique Private Limited | 10 | 5,000 | @ | 5,000 | @ |
|                                   |    |       | - |       | - |

The above subsidiaries are wholly owned by the Company, except Urthing Sobla Hydro Power Private Limited

@ Amount is below the rounding off norm adopted by the Company.

**B) Preference shares (unquoted, fully paid up)**

**I In Subsidiaries (Fair value through Other Comprehensive Income)**

7.5% Preference Shares<sup>1</sup>

|  |    |             |          |             |          |
|--|----|-------------|----------|-------------|----------|
| Dhursar Solar Power Private Limited            | 10 | 8,94,000    | 18,899   | 8,94,000    | 16,249   |
| Reliance CleanGen Limited                      | 10 | 1,29,00,000 | -        | 1,29,00,000 | -        |
| Sasan Power Limited                            | 10 | 3,57,88,750 | 3,88,248 | 3,57,88,750 | 4,48,564 |
| Vidarbha Industries Power Limited              | 10 | 94,04,432   | 1,25,567 | 94,04,432   | 1,43,991 |
| Atos Mercantile Private Limited                | 1  | 32,310      | -        | 32,310      | -        |
| Atos Trading Private Limited                   | 1  | 18,800      | -        | 18,800      | -        |
| Chitrangi Power Private Limited                | 1  | 10,00,000   | -        | 10,00,000   | -        |
| Coastal Andhra Power Infrastructure Limited    | 1  | 1,32,015    | 12       | 1,32,015    | 19       |
| Kalai Power Private Limited                    | 1  | 1,26,000    | 628      | 1,26,000    | 822      |
| Maharashtra Energy Generation Limited          | 1  | 2,50,000    | -        | 2,50,000    | -        |
| Rajasthan Sun Technique Energy Private Limited | 1  | 28,56,350   | -        | 28,56,350   | 38,015   |
| Reliance Prima Limited                         | 10 | 28,390      | -        | 28,390      | -        |
| Rosa Power Supply Company Limited              | 1  | 41,83,000   | 1,13,970 | 41,83,000   | 1,10,219 |
| Reliance Green Power Private Limited           | 1  | 2,31,705    | -        | 2,31,705    | 1        |
| Shangling Hydro Power Private Limited          | 1  | 45,600      | 417      | 45,600      | 456      |
| Siyom Hydro Power Private Limited              | 1  | 37,979      | -        | 37,979      | -        |
| Tato Hydro Power Private Limited               | 1  | 5,95,300    | -        | 95,300      | 108      |
| Teling Hydro Power Private Limited             | 1  | 96,900      | 915      | 96,900      | 969      |
| Urthing Sobla Hydro Power Private Limited      | 1  | 1,62,360    | 459      | 1,62,360    | 576      |

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

| Particulars  | Face Value<br>₹ | As at March 31, 2019 |                  | As at March 31, 2018 |                  |
|--|-----------------|----------------------|------------------|----------------------|------------------|
|  |                 | No. of Shares        | ₹ in lakhs       | No. of Shares        | ₹ in lakhs       |
| 6% Preference Shares <sup>2</sup>  |                 |                      |                  |                      |                  |
| Reliance CleanGen Limited  | 10              | 15,00,601            | -                | 15,00,601            | -                |
| Convertible Preference Shares: <sup>3</sup>                                    |                 |                      |                  |                      |                  |
| Reliance Natural Resources (Singapore) Pte. Limited (Face value of USD 1 each) |                 | 27,49,00,000         | 1,49,575         | -                    | -                |
| <b>Total B</b>   |                 |                      | <b>7,98,690</b>  |                      | <b>7,59,989</b>  |
| <b>C) Inter-corporate deposit classified as equity instruments</b>             |                 |                      |                  |                      |                  |
| <b>In Subsidiaries (Fair value through Other Comprehensive Income)</b>         |                 |                      |                  |                      |                  |
| Sasan Power Limited  |                 |                      | 20,000           |                      | 20,000           |
| Rajasthan Sun Technique Energy Private Limited                                 |                 |                      | -                |                      | 68,010           |
| <b>Total C</b>   |                 |                      | <b>20,000</b>    |                      | <b>88,010</b>    |
| <b>Non-current investments (A+B+C)</b>   |                 |                      | <b>17,74,421</b> |                      | <b>19,00,759</b> |
| Aggregate book value of unquoted non-current investments                       |                 |                      | <b>17,74,421</b> |                      | <b>19,00,759</b> |

### <sup>1</sup> 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

The issuer companies shall have a call option on the CCRPS which can be exercised by them in one or more tranches and in part or in full before the end of agreed tenure (20 years/ 15 years) of the said shares. In case the call option is exercised, the CCRPS shall be redeemed at an issue price (i.e. face value and premium). The Company, however, shall have an option to convert the CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer Companies or the CCRPS holders thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into equity shares of corresponding value (including the premium applicable thereon). In case the Issuer companies declare dividend on their equity shares, the CCRPS holders will also be entitled to the equity dividend in addition to the coupon rate of dividend.

Considering the said terms, these investments have been classified as equity and fair valued through Other Comprehensive Income.

### <sup>2</sup> 6% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

The issuer companies shall have a call option on the CCRPS which can be exercised by them in one or more tranches and in part or in full before the end of agreed tenure (5 years) of the said shares. In case the call option is exercised, the CCRPS shall be redeemed at an issue price equivalent to face value. The Company, however, shall have an option to convert the CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer Companies or the CCRPS holders thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into equity shares of corresponding value. In case the Issuer companies declare dividend on their equity shares, the CCRPS holders will also be entitled to the equity dividend in addition to the coupon rate of dividend.

Considering the said terms, these investments have been classified as equity and fair valued through Other Comprehensive Income.

**Notes to the Financial Statements for the year ended March 31, 2019**
**<sup>3</sup> Convertible Preference Shares (CPS)**

The holder of convertible preference shares shall not be entitled to receive dividend to be paid out of the distributable profits of the Company for any financial period. The holder shall have the conversion right in relation to his convertible preference shares and shall be entitled at any time and at his option, to exercise the conversion right in respect of all or any of his convertible preference shares to convert such convertible preference shares into one ordinary share of USD 1 each credited as fully paid with a conversion premium of 5% per annum payable in cash, upto and including the date of conversion, calculated on annual basis for every convertible preference shares held.

|  |   | ₹ in lakhs              |                         |
|--|---|-------------------------|-------------------------|
| Particulars  |   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>3.3(b) Loans</b>  |   |                         |                         |
| (Unsecured and considered good)  |   |                         |                         |
| Inter corporate deposits to subsidiary (Refer note 12)                                       |   | 1,19,775                | 2,29,331                |
|  |   | <b>1,19,775</b>         | <b>2,29,331</b>         |
| <b>3.3(c) Other financial assets</b>   |   |                         |                         |
| Term deposits with more than 12 months maturity  | @ |                         | 200                     |
| Non-current bank balances (margin money deposits towards bank guarantee and others)          |   | 495                     | -                       |
|  |   | <b>495</b>              | <b>200</b>              |
| <b>3.4 Non-current tax assets</b>  |   |                         |                         |
| (Unsecured and considered good)  |   | 3,063                   | 2,032                   |
| Advance income tax (net of provision for tax of ₹ 1,586 lakhs (March 31, 2018 ₹ 1,586 lakhs) |   |                         |                         |
|  |   | <b>3,063</b>            | <b>2,032</b>            |
| <b>3.5 Current financial assets</b>  |   |                         |                         |
| <b>3.5(a) Current investments</b>  |   |                         |                         |
| <b>Current maturities of long term investments</b>   |   |                         |                         |
| <b>Preference shares (unquoted, fully paid up)</b>   |   |                         |                         |
| <b>In Subsidiary (valued at amortised cost)</b>  |   |                         |                         |
| 0.5% Redeemable Preference Shares:   |   |                         |                         |
| Reliance Natural Resources (Singapore) Pte. Limited  |   | -                       | 1,80,729                |
| [No. of shares: Nil (March 31, 2018: 27,49,00,000 (Face value of USD 1 each)]                |   | -                       | 1,80,729                |
|  |   | -                       | -                       |
| Aggregate amount of unquoted investments   |   | -                       | 1,80,729                |
| <b>3.5(b) Trade receivables</b>  |   |                         |                         |
| (Unsecured and considered good)  |   |                         |                         |
| Trade receivables (Refer note 12)  |   | 6,306                   | 3,231                   |
|  |   | <b>6,306</b>            | <b>3,231</b>            |
| <b>3.5(c) Cash and cash equivalents</b>  |   |                         |                         |
| Balance with banks:  |   |                         |                         |
| in current account *   |   | 772                     | 36,168                  |
| in deposit account with original maturity of less than three months                          |   | -                       | 347                     |
| Fixed deposits (including margin money) *  |   | -                       | 11,085                  |
|  |   | <b>772</b>              | <b>47,600</b>           |

\* Includes restricted cash and cash equivalents of ₹ Nil (March 31, 2018 ₹ 36,085 lakhs)

@ Amount is below the rounding off norms adopted by the Company.

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

|   |                         | ₹ in lakhs              |  |
|---|-------------------------|-------------------------|--|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |  |
| <b>3.5(d) Bank balances other than cash and cash equivalents</b>                      |                         |                         |  |
| Deposits with original maturity of more than three months but less than twelve months | 2,400                   | 3,275                   |  |
| Unclaimed dividend  | 300                     | 300                     |  |
| Fixed deposits (margin money deposit)   | 10,285                  | 10,801                  |  |
|   | <b>12,985</b>           | <b>14,376</b>           |  |
| <b>3.5(e) Loans</b>   |                         |                         |  |
| Inter corporate deposits to related parties (Refer note 12)                           |                         |                         |  |
| - Unsecured, considered good  | -                       | 1,845                   |  |
| - Credit impaired   | 1,43,037                | -                       |  |
| Less: Allowance for doubtful loans  | (1,43,037)              | -                       |  |
|   | -                       | 1,845                   |  |
| Inter corporate deposits to subsidiaries (Refer note 12)                              | 96,185                  | 1,51,512                |  |
| Inter corporate deposits to others  | -                       | 5,598                   |  |
| Loans / advances to employees   | 2                       | 3                       |  |
| Loans / advances to related parties (Refer note 12)                                   | 818                     | 508                     |  |
|   | <b>97,005</b>           | <b>1,59,466</b>         |  |
| <b>3.5(f) Other financial assets</b>  |                         |                         |  |
| (Unsecured and considered good)   |                         |                         |  |
| Security deposits   | 10                      | 136                     |  |
| Advance recoverable in cash   | 6,928                   | 7,390                   |  |
| Receivables from Subsidiaries (Refer note 12)   | 9,224                   | 2,202                   |  |
| Interest accrued on ICD - subsidiaries (Refer note 12)                                | 7,679                   | -                       |  |
| Interest accrued - others   | 622                     | 905                     |  |
| Receivable against Generation based incentive   | 263                     | 210                     |  |
| Other receivables [Refer note 6(a) & (c)] [March 31, 2018: Refer note 4(b)]           | 33,450                  | 7,488                   |  |
|   | <b>58,176</b>           | <b>18,331</b>           |  |
| <b>3.6 Other current assets</b>   |                         |                         |  |
| (Unsecured and considered good)   |                         |                         |  |
| Balance with statutory authorities (includes GST recoverable)                         | 157                     | 1,246                   |  |
| Prepaid expenses  | 20                      | 716                     |  |
| Advance recoverable towards land (Refer note 9)                                       | 1,900                   | 1,900                   |  |
| Others (gratuity paid in advance) (Refer note 10)                                     | -                       | 28                      |  |
|   | <b>2,077</b>            | <b>3,890</b>            |  |
| <b>3.7 Assets classified as held for sale</b>   |                         |                         |  |
| Assets held for sale (Refer note 9)   | 4,711                   | 4,711                   |  |
| Others (Refer note 9)   | 8,394                   | 7,981                   |  |
|   | <b>13,105</b>           | <b>12,692</b>           |  |



Notes to the Financial Statements for the year ended March 31, 2019

|              |  | ₹ in lakhs              |                         |
|--------------|--|-------------------------|-------------------------|
| Particulars  |  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>3.8</b>   | <b>Share capital</b>   |                         |                         |
|              | <b>Authorised share capital</b>  |                         |                         |
|              | 11,000,000,000 (March 31, 2018: 11,000,000,000) equity shares of ₹ 10 each                                       | <b>11,00,000</b>        | 11,00,000               |
|              | 5,000,000,000 (March 31, 2018: 5,000,000,000) preference shares of ₹ 10 each                                     | <b>5,00,000</b>         | 5,00,000                |
|              |  | <b>16,00,000</b>        | 16,00,000               |
|              | <b>Issued, subscribed and fully paid up capital</b>  |                         |                         |
|              | 2,805,126,466 (March 31, 2018: 2,805,126,466) equity shares of ₹ 10 each fully paid up                           | <b>2,80,513</b>         | 2,80,513                |
| <b>3.8.1</b> | <b>Reconciliation of number of equity shares</b>   |                         |                         |
|              | Balance at the beginning of the year - 2,805,126,466 (March 31, 2017: 2,805,126,466) equity shares of ₹ 10 each. | <b>28,051</b>           | 28,051                  |
|              | Shares issued during the year  | -                       | -                       |
|              | Balance at the end of the year - 2,805,126,466 (March 31, 2018: 2,805,126,466) equity shares of ₹ 10 each.       | <b>28,051</b>           | 28,051                  |

**3.8.2 Terms/ rights attached to equity shares**

The Company has only one class of equity shares having face value of ₹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 the remaining assets of the Company, after distribution of all preferential amounts.

**3.8.3 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

| Particulars   | As at March 31, 2019  |                             | As at March 31, 2018 |                             |
|---|-----------------------|-----------------------------|----------------------|-----------------------------|
|   | No. of Shares         | Percentage of share holding | No. of Shares        | Percentage of share holding |
| <b>Equity shares</b>  |                       |                             |                      |                             |
| Reliance Infrastructure Limited   | <b>92,84,98,193</b>   | <b>33.11</b>                | 1,21,19,98,193       | 43.22                       |
| Reliance Project Ventures and Management Private Limited (formerly known as AAA Project Ventures Private Limited) | <b>40,01,14,337</b>   | <b>14.27</b>                | 53,72,87,901         | 19.16                       |
| Reliance Wind Turbine Installators Industries Private Limited   | <b>24,35,68,019</b>   | <b>8.68</b>                 | 34,75,52,662         | 12.39                       |
| <b>Total</b>  | <b>1,57,21,80,549</b> | <b>56.06</b>                | 2,09,68,38,756       | 74.77                       |

**3.8.4** Pursuant to the composite scheme of arrangement with Reliance Natural Resources Limited, the Company has 5,63,678 Global Depository Receipts which are listed on Euro MTF Market of the Luxembourg Stock Exchange since May 17, 2011.

|             |  | ₹ in lakhs              |                         |
|-------------|--|-------------------------|-------------------------|
| Particulars |  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>3.9</b>  | <b>Other equity</b>  |                         |                         |
|             | <b>Balance at the end of the year</b>                                  |                         |                         |
| 3.9.1       | Capital reserve  | <b>1,958</b>            | 1,958                   |
| 3.9.2       | Capital reserve (arisen pursuant to scheme of amalgamation)            | <b>59,995</b>           | 59,995                  |
| 3.9.3       | Securities premium   | <b>11,05,454</b>        | 11,05,454               |
| 3.9.4       | General reserve (arisen pursuant to various schemes)                   | <b>41,691</b>           | 1,43,393                |
| 3.9.5       | Debenture redemption reserve   | <b>4,683</b>            | 4,683                   |
| 3.9.6       | Foreign currency monetary item translation difference account          | <b>1</b>                | 3,416                   |
| 3.9.7       | Treasury Shares (ESOS Trust)   | <b>(845)</b>            | (845)                   |
| 3.9.8       | Equity instruments-fair value through Other Comprehensive Income (OCI) | <b>(1,37,519)</b>       | 1,88,044                |
| 3.9.9       | Retained earnings  | <b>(70,366)</b>         | (10,200)                |
|             | <b>Total</b>   | <b>10,05,052</b>        | 14,95,898               |

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

|              |  | ₹ in lakhs              |                         |
|--------------|--|-------------------------|-------------------------|
|              | Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>3.9.1</b> | <b>Capital reserve</b>   | <b>1,958</b>            | 1,958                   |
| <b>3.9.2</b> | <b>Capital reserve (arisen pursuant to scheme of amalgamation)</b>   | <b>59,995</b>           | 59,995                  |
| <b>3.9.3</b> | <b>Securities premium</b>  |                         |                         |
|              | Balance at the beginning of the year   | <b>11,05,454</b>        | 11,05,454               |
|              | Balance at the end of the year   | <b>11,05,454</b>        | 11,05,454               |
| <b>3.9.4</b> | <b>General reserve (arisen pursuant to various schemes)</b>  |                         |                         |
|              | Balance at the beginning of the year   |                         |                         |
| (a)          | General reserve (arisen pursuant to composite scheme of arrangement)   | <b>1,01,702</b>         | 1,01,702                |
|              | Less : Withdrawal from general reserve [Refer note 23 (b)]   | <b>1,01,702</b>         | -                       |
|              |  | -                       | 1,01,702                |
| (b)          | General reserve (arisen pursuant to scheme of amalgamation with erstwhile Sasan Power Infraventures Private Limited) | <b>18,707</b>           | 18,707                  |
| (c)          | General reserve (arisen pursuant to scheme of amalgamation with erstwhile Sasan Power Infrastructure Limited)        | <b>22,984</b>           | 22,984                  |
|              | Balance at the end of the year   | <b>41,691</b>           | 1,43,393                |
| <b>3.9.5</b> | <b>Debenture redemption reserve</b>  |                         |                         |
|              | Balance at the beginning of the year   | <b>4,683</b>            | 5,045                   |
|              | Add: Transfer from Retained earnings   | -                       | 13,638                  |
|              | Less: Transfer to Retained earnings  | -                       | 14,000                  |
|              | Balance at the end of the year   | <b>4,683</b>            | 4,683                   |
| <b>3.9.6</b> | <b>Foreign currency monetary item translation difference account</b>   |                         |                         |
|              | Balance at the beginning of the year   | <b>3,416</b>            | 9,340                   |
|              | Add: Addition during the year  | <b>11,150</b>           | 580                     |
|              | Less: Amortisation during the year   | <b>14,565</b>           | 6,504                   |
|              | Balance at the end of the year   | <b>1</b>                | 3,416                   |
| <b>3.9.7</b> | <b>Treasury Shares (ESOS Trust) (Refer note 8)</b>   |                         |                         |
|              | Balance at the beginning of the year   | <b>(845)</b>            | (4,130)                 |
|              | Less: Sale of Treasury shares  | -                       | 3,285                   |
|              | Balance at the end of the year   | <b>(845)</b>            | (845)                   |
| <b>3.9.8</b> | <b>Equity instruments-fair value through Other Comprehensive Income (OCI)</b>  |                         |                         |
|              | Balance at the beginning of the year   | <b>1,88,044</b>         | 89,671                  |
|              | Add: Addition during the year  | <b>(3,25,577)</b>       | 98,367                  |
|              | Add: Gain on sale of investments [Refer note 6(c)] [March 31, 2018: Refer note 27]                                   | <b>15</b>               | 6                       |
|              | Add: Remeasurements of post-employment benefit obligation (net) (Refer note 10)                                      | <b>(1)</b>              | -                       |
|              | Balance at the end of the year   | <b>(1,37,519)</b>       | 1,88,044                |

## Notes to the Financial Statements for the year ended March 31, 2019

| Particulars   | ₹ in lakhs              |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>3.9.9 Retained earnings</b>  |                         |                         |
| Balance at the beginning of the year  | (10,200)                | (10,988)                |
| Profit/ (Loss) for the year   | (60,166)                | 225                     |
| Add: Transfer from debenture redemption reserve                                 | -                       | 14,000                  |
| Add: Remeasurements of post-employment benefit obligation (net) (Refer note 10) | -                       | 201                     |
| Less: Transfer to debenture redemption reserve                                  | -                       | 13,638                  |
| Balance at the end of the year  | (70,366)                | (10,200)                |
|   | <b>10,05,052</b>        | <b>14,95,898</b>        |

## Nature and purpose of other reserves:

## (a) Capital Reserve

The Capital Reserve had arisen pursuant to the composite scheme of arrangement on account of net assets taken over from Reliance Futura Limited. [Refer note d(i) below]

## (b) Capital Reserve (arisen pursuant to scheme of amalgamation)

The Capital Reserve had arisen pursuant to the composite scheme of arrangement with erstwhile Reliance Clean Energy Private Limited. The said scheme was sanctioned by Hon'ble High Court of Bombay vide order dated April 05, 2013. The capital Reserve shall be a Reserve which arose pursuant to the above scheme and shall not be and shall not for any purpose be considered to be a Reserve created by the Company.

## (c) Securities Premium

Securities premium is created to record premium received on issue of shares. The Reserve is utilized in accordance with the provision of the Companies Act, 2013.

## (d) General Reserve (arisen pursuant to various schemes)

All below General Reserve arisen pursuant to schemes and shall not be and shall not for any purpose be considered to be a Reserve created by the Company.

## i. General Reserves (arisen pursuant to composite scheme of arrangement)

The General Reserve had arisen pursuant to the composite scheme of arrangement between the Company, Reliance Natural Resources Limited, erstwhile Reliance Futura Limited and four wholly owned subsidiaries viz. Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited. The said scheme was sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010.

## ii. General Reserve (arisen pursuant to scheme of amalgamation with erstwhile Sasan Power Infrastructures Private Limited)

The General Reserve had arisen pursuant to the scheme of amalgamation with erstwhile Sasan Power Infrastructure Private Limited, sanctioned by the Hon'ble High Court of Bombay vide order dated April 29, 2011. The scheme was effective from January 01, 2011.

## iii. General Reserve (arisen pursuant to scheme of amalgamation with erstwhile Sasan Power Infrastructure Limited)

The General Reserve had arisen pursuant to the scheme of amalgamation with erstwhile Sasan Power Infrastructure Limited, sanctioned by the Hon'ble High Court of Bombay, vide order dated December 23, 2011. The scheme was effective from September 01, 2011.

## (e) Debentures Redemption Reserve

The Company is required to create a debenture redemption reserve out of the profits of the Company for the purpose of redemption of debentures.

## (f) Foreign currency monetary item translation difference account

The Company has opted to continue the Previous GAAP policy for accounting of foreign exchange differences on long term monetary items. This Reserve represents foreign exchange accumulated on long term monetary items which are for other than depreciable assets. The same is amortized over the balance period of such long term monetary assets. [Refer note 2.1(m)(ii)]

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

### (g) Treasury Shares

The Reserve comprises loss on sale of treasury shares. The RPET held Nil shares (March 31, 2018: Nil shares). (Refer note 8)

### (h) Equity instruments through Other Comprehensive Income:

The Company has elected to recognise changes in the fair value of investments in equity instruments in subsidiaries in other comprehensive income. The changes are accumulated within the FVOCI equity instruments Reserve within equity. The Company transfers amount from this Reserve to retained earnings when the relevant equity securities are derecognised.

### Non-current financial liabilities

|  |                         | ₹ in lakhs              |  |
|--|-------------------------|-------------------------|--|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |  |
| <b>3.10(a) Borrowings</b>  |                         |                         |  |
| <b>Secured</b>   |                         |                         |  |
| <b>At amortised cost</b>   |                         |                         |  |
| 5,450 (March 31, 2018: 7,500) Series I (2018) Listed redeemable non convertible debentures of ₹ 1,000,000 each | <b>52,404</b>           | 75,000                  |  |
| Term loans:  |                         |                         |  |
| Rupee loans from banks   | <b>24,677</b>           | 1,17,625                |  |
| Foreign currency loans from banks  | <b>7,074</b>            | 8,119                   |  |
|  | <b>84,155</b>           | 2,00,744                |  |

### 3.10(a1) Nature of security for term loans

- (i) Series I (2018) 13.39% listed redeemable non convertible debentures of ₹ 54,500 lakhs (March 31, 2018: ₹ 75,000 lakhs) are secured by first pari-passu charge over long term loans and advances of the Company.
- (ii) Rupee loans from banks of ₹ 32,400 lakhs (March 31, 2018: ₹ 34,380 lakhs) are secured by first charge over long term loans and advances of the Company on pari passu basis.
- (iii) Rupee loans from banks of ₹ 2,297 lakhs (March 31, 2018: ₹ 2,383 lakhs) and foreign currency loan of ₹ 9,098 lakhs (March 31, 2018: ₹ 9,619 lakhs) are secured by first charge on all the immovable and movable assets of the 45 MW wind power project at Vashpet on pari passu basis.
- (iv) Rupee loans from banks of ₹ 11,250 lakhs (March 31, 2018: ₹ 15,000 lakhs) are secured by first pari passu charge over current assets of the Company including receivable excluding the assets acquired under scheme of amalgamation with erstwhile Reliance Clean Power Private Limited.
- (v) Rupee loans from banks of ₹ 9,000 lakhs (March 31, 2018: ₹ 13,500 Lakhs) are secured by the residual charge over current assets of the Company including receivable excluding the assets acquired under scheme of amalgamation with erstwhile Reliance Clean Power Private Limited. It is also secured by pledge of shares of the Company held by RInfra.
- (vi) Rupee loans from banks of ₹ 11,970 lakhs (March 31, 2018: ₹ 12,157 lakhs) are secured by first charge on all the immovable and movable assets and receivables of the 45 MW wind power project at Vashpet on pari passu basis.
- (vii) Rupee loans from banks of ₹ 6,300 lakhs (March 31, 2018: ₹ 10,500 lakhs) are secured by the first pari passu charge over long term loans and advances including receivables accrued out of such long term loans and advances of the Company .
- (viii) Rupee loans from banks of ₹ Nil (March 31, 2018: ₹ 21,560 lakhs) are secured by the first pari passu charge over long term loans and advances of the Company.
- (ix) Rupee loans from banks of ₹ 16,875 lakhs (March 31, 2018: ₹ 68,125 lakhs) are secured by the first pari passu charge over long term loans and advances of the Company.
- (x) Current maturities of long term borrowings have been classified as other financial liabilities [Refer note 3.13(c)]

**Notes to the Financial Statements for the year ended March 31, 2019**
**3.10(a2) Terms of Repayment and Interest**

- (i) Series I (2018) 13.39% listed redeemable non convertible debentures of ₹ 54,500 lakhs are repayable in 8 half yearly instalments starting from September 30, 2021 and carries floating interest rate payable on half yearly basis.
- (ii) Rupee loan from bank of ₹ 32,400 lakhs (March 31, 2018: ₹ 34,380 lakhs) is repayable in 10 structured quarterly instalments commencing from October 31, 2017 and carries an interest rate of 10.80% per annum payable on a monthly basis.
- (iii) Rupee term loan from bank is repayable in 59 quarterly instalments commencing from March 2015 and carries an interest rate of 11.75% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 2,297 lakhs (March 31, 2018: ₹ 2,383 lakhs).
- (iv) Foreign currency loan is repayable in 42 quarterly instalments commencing from September 2013 and carries an interest rate of USD 6 month LIBOR plus 450 basis points per annum payable on a half yearly basis. The outstanding balance as at year end is ₹ 9,098 lakhs (March 31, 2018: ₹ 9,619 lakhs).
- (v) Rupee term loan from bank is repayable in 16 quarterly instalments commencing from June 2017 and carries an interest rate of 12.80% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 11,250 lakhs (March 31, 2018: ₹ 15,000 lakhs).
- (vi) Rupee term loans from bank are repayable in 40 monthly instalments commencing from March 2017 and carries an interest rate of 10.95% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 9,000 lakhs (March 31, 2018: ₹ 13,500 lakhs).
- (vii) Rupee term loans from bank are repayable in 53 structured quarterly instalments commencing from September 2016 and carries an interest rate of 12.50% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 11,970 lakhs (March 31, 2018: ₹ 12,157 lakhs).
- (viii) Rupee term loans from bank are repayable in 12 quarterly instalments commencing from December 2019 and carries an interest rate of 10.72% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 6,300 lakhs (March 31, 2018: ₹ 10,500 lakhs).
- (ix) Rupee term loans from bank are repayable in 16 structured monthly instalments commencing from July 2017 and carries an interest rate of 10.5% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ Nil (March 31, 2018: ₹ 21,560 lakhs).
- (x) Rupee term loans from bank are repayable in 11 structured quarterly instalments commencing from July 2017 and carries an interest rate of 10.80% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 16,875 lakhs (March 31, 2018: ₹ 68,125 lakhs).

**3.10(a3)** The amortised cost disclosed above is net of incidental cost of borrowings aggregating of ₹ 3,033 lakhs (March 31, 2018: ₹ 1,922 lakhs).

| Particulars  | ₹ in lakhs              |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>3.10(b) Other financial liabilities</b>                             |                         |                         |
| Financial guarantee obligations  | <b>2,437</b>            | 4,458                   |
|  | <b>2,437</b>            | 4,458                   |
| <b>3.11 Provisions</b>   |                         |                         |
| Provision for gratuity (Refer note 10)                                 | <b>4</b>                | -                       |
| Provision for leave encashment (Refer note 10)                         | <b>75</b>               | 66                      |
|  | <b>79</b>               | 66                      |
| <b>3.12 Deferred tax liabilities</b>                                   |                         |                         |
| Net deferred tax liability due to temporary difference (Refer note 15) | -                       | 1,252                   |
|  | -                       | 1,252                   |

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

|                 |  | ₹ in lakhs              |                         |
|-----------------|--|-------------------------|-------------------------|
| Particulars     |  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>3.13</b>     | <b>Current financial liabilities</b>   |                         |                         |
| <b>3.13(a)</b>  | <b>Current borrowings</b>  |                         |                         |
|                 | <b>At amortised cost</b>   |                         |                         |
|                 | <b>Secured</b>   |                         |                         |
|                 | Working capital loan   | 4,821                   | 5,990                   |
|                 | Loan against fixed deposits  | 2,160                   | 2,160                   |
|                 | <b>At amortised cost</b>   |                         |                         |
|                 | <b>Unsecured</b>   |                         |                         |
|                 | Rupee loans from banks   | 25,261                  | 8,650                   |
|                 | 2,500 Series III (2017) 10.75% (March 31, 2018: 10.20%) Listed redeemable non convertible debentures of ₹ 1,000,000 each   | 25,000                  | 25,000                  |
|                 | Commercial paper   | -                       | 10,000                  |
|                 | Loans from subsidiaries (Refer note 12)  | 3,71,709                | 4,28,362                |
|                 | Inter-corporate deposits from related parties (Refer note 12)*   | 1,10,448                | 29,115                  |
|                 | Inter-corporate deposits from others*  | 63,942                  | 21,601                  |
|                 |  | <b>6,03,341</b>         | <b>5,30,878</b>         |
|                 | * Interest rate on above ICDs varies from 10.50% p.a. to 14.86% p.a.   |                         |                         |
| <b>3.13(a1)</b> | <b>Nature of security and terms of repayment</b>   |                         |                         |
|                 | (i) Working capital loan from bank is secured by first hypothecation and charge on all receivables of the Company, (excluding assets acquired under the merger scheme with erstwhile Reliance Clean Power Private Limited) both present and future on pari passu basis and is repayable on demand and carries an interest rate of 11.50% per annum payable on a monthly basis. |                         |                         |
|                 | (ii) Loan against fixed deposit is secured by first pari passu charge over the fixed deposit of ₹ 2,400 lakhs of the Company. The loan is repayable in full on September 26, 2019 and carries an interest rate of 9.11% per annum payable on a monthly basis.  |                         |                         |
| <b>3.13(b)</b>  | <b>Trade payables</b> (Refer note 22)  |                         |                         |
|                 | Total Outstanding dues of micro enterprises and small enterprises  | 1                       | -                       |
|                 | Total Outstanding dues of creditors other than micro enterprises and small enterprises   | 2,794                   | 1,479                   |
|                 |  | <b>2,795</b>            | <b>1,479</b>            |
| <b>3.13(c)</b>  | <b>Other financial liabilities</b>   |                         |                         |
|                 | Current maturities of long-term borrowings [Refer note 3.10(a) and note 28]  | 66,504                  | 59,558                  |
|                 | Interest accrued but not due on borrowings (Refer note 12)   | 18,216                  | 8,334                   |
|                 | Interest accrued and due on borrowings   | 1,891                   | -                       |
|                 | Unclaimed dividend   | 299                     | 300                     |
|                 | Retention money payable  | 13                      | 12                      |
|                 | Dues to subsidiaries (Refer note 12)   | 4,256                   | 1,096                   |
|                 | Provision for expenses   | 255                     | 79                      |
|                 | Financial guarantee obligations  | 2,021                   | 3,210                   |
|                 | Other payables   | 423                     | 7,787                   |
|                 |  | <b>93,878</b>           | <b>80,376</b>           |

## Notes to the Financial Statements for the year ended March 31, 2019

|                |  | ₹ in lakhs                   |                              |
|----------------|--|------------------------------|------------------------------|
| Particulars    |  | As at<br>March 31, 2019      | As at<br>March 31, 2018      |
| <b>3.14</b>    | <b>Other current liabilities</b>                                   |                              |                              |
|                | Dues to subsidiaries (Refer note 12)                               | <b>43,091</b>                | 6,110                        |
|                | Other payables   | <b>1,615</b>                 | 742                          |
|                |  | <b>44,706</b>                | 6,852                        |
| <b>3.15</b>    | <b>Current provisions</b>  |                              |                              |
|                | Provision for leave encashment (Refer note 10)                     | <b>28</b>                    | 52                           |
|                |  | <b>28</b>                    | 52                           |
|                |  | ₹ in lakhs                   |                              |
| Particulars    |  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| <b>3.16</b>    | <b>Revenue from operations</b>                                     |                              |                              |
|                | Sale of energy (Refer note 12)                                     | <b>4,035</b>                 | 4,118                        |
|                | <b>Other Operating income</b>                                      |                              |                              |
|                | Generation Based Incentive   | <b>303</b>                   | 309                          |
|                |  | <b>4,338</b>                 | 4,427                        |
| <b>3.17(a)</b> | <b>Other income</b>  |                              |                              |
|                | Interest income:   |                              |                              |
|                | Bank deposits  | <b>2,298</b>                 | 2,317                        |
|                | Inter-corporate deposits (including related party) (Refer note 12) | <b>5,167</b>                 | 6,805                        |
|                | Preference Shares  | <b>2,993</b>                 | 7,511                        |
|                | Others [including related party (Refer note 12)]                   | <b>-</b>                     | 29                           |
|                | Service Income (Refer note 12)                                     | <b>1,600</b>                 | 10,140                       |
|                | Income recognised on Corporate guarantee                           | <b>3,210</b>                 | 11,093                       |
|                | Gain on foreign exchange fluctuations (Net)                        | <b>14,565</b>                | 6,537                        |
|                | Other non-operating income   | <b>325</b>                   | 91                           |
|                |  | <b>30,158</b>                | 44,523                       |
| <b>3.17(b)</b> | <b>Income from discontinued operations</b>                         |                              |                              |
|                | Interest income (Refer note 9)                                     | <b>412</b>                   | 481                          |
|                |  | <b>412</b>                   | 481                          |
| <b>3.18</b>    | <b>Employee benefits expense</b>                                   |                              |                              |
|                | Salaries, bonus and other allowances                               | <b>1,058</b>                 | 1,162                        |
|                | Contribution to provident fund and other funds (Refer note 10)     | <b>41</b>                    | 56                           |
|                | Gratuity (Refer note 10)   | <b>31</b>                    | 139                          |
|                | Leave encashment   | <b>29</b>                    | 153                          |
|                | Staff welfare expenses   | <b>10</b>                    | 18                           |
|                |  | <b>1,169</b>                 | 1,528                        |



# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

|   |                              | ₹ in lakhs                   |
|---|------------------------------|------------------------------|
| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| <b>3.19 Finance costs</b>   |                              |                              |
| Interest on:  |                              |                              |
| Ruppee term loans   | 18,700                       | 23,062                       |
| Foreign currency loans  | 676                          | 669                          |
| Inter corporate deposits (Refer note 12)                              | 13,862                       | 7,225                        |
| Non convertible debentures  | 11,250                       | 5,694                        |
| Working capital loans   | 712                          | 677                          |
| Others  | 272                          | 691                          |
| Other finance charges   | 2,190                        | 2,660                        |
|   | <b>47,662</b>                | <b>40,678</b>                |
| <b>3.20 Other expenses</b>  |                              |                              |
| Rent expenses (Refer note 12)   | 98                           | 120                          |
| Repairs and maintenance   |                              |                              |
| – Plant and equipment   | 678                          | 629                          |
| – Others  | 230                          | 67                           |
| Stamp duty and filing fees  | 27                           | 25                           |
| Advertisement expenses  | 12                           | 9                            |
| Printing and stationery   | 437                          | 404                          |
| Legal and professional charges (including shared service charges)     | 616                          | 1,720                        |
| Books and periodicals   | @                            | @                            |
| Membership and subscription   | 39                           | 57                           |
| Postage and telephone   | 323                          | 320                          |
| Travelling and conveyance   | 63                           | 828                          |
| Custodian charges   | 367                          | 382                          |
| Directors sitting fees  | 34                           | 36                           |
| Rates and taxes   | 24                           | 39                           |
| Insurance   | 64                           | 67                           |
| Loss on sale of assets  | -                            | 3                            |
| Provision for doubtful debts  | 126                          | -                            |
| Expenditure towards Corporate Social Responsibilities (Refer note 21) | 128                          | 143                          |
| GST / tax charge off  | 1,070                        | -                            |
| Miscellaneous expenses  | 80                           | 294                          |
|   | <b>4,416</b>                 | <b>5,143</b>                 |

@ Amount is below the rounding off norm adopted by the Company

## 4. Contingent liabilities and commitments

- Guarantees including corporate guarantee issued to banks for loan facilities availed by subsidiary companies, aggregate amount outstanding as at balance sheet date ₹ 4,98,633 lakhs (March 31, 2018 ₹ 6,10,743 lakhs).
- In case of CPPL, as per terms of bid bond of Uttar Pradesh Power Corporation Limited (UPPCL), the Company had provided bank guarantee of ₹ 7,386 lakhs and which has since been invoked by UPPCL during FY 2017-18. The High Court has ruled that the above invocation is subject to the order passed by the High Court. Consequently, the Company has shown the guarantee invoked as the amount payable to Canara Bank and an equivalent amount has been shown as recoverable from UPPCL for the year ended March 31, 2018. During the year, the Company has made payment to the bank of ₹ 7,488 lakhs along with interest (₹ 102 lakhs) which has been shown as receivables from CPPL. However, the bank has levied bank charges of ₹ 1,384 lakhs on issue of bank guarantee at regular rate than the rate as agreed upon. The bank charges levied by the bank have been disputed by the Company.

**Notes to the Financial Statements for the year ended March 31, 2019**

- (c) In respect of subsidiaries, the Company 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 projects being undertaken by the respective subsidiaries, including any capital expenditure for regulatory compliance and to meet shortfall in the expected revenues/debt servicing.

Future cash flows in respect of the above matters can only be determined based on the future outcome of various uncertain factors.

- (d) As on March 31, 2019 there were no contracts remaining unexecuted on capital account.

**5. Details of remuneration to auditors**

| Particulars                | ₹ in lakhs                   |                              |
|----------------------------|------------------------------|------------------------------|
|                            | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| (a) As auditors            |                              |                              |
| For statutory audit        | 79                           | 89*                          |
| For others                 | 1                            | 2                            |
| (b) Out-of-pocket expenses | 4                            | 1                            |
|                            | <u>84</u>                    | <u>92</u>                    |

\*Includes ₹ 10 lakhs paid to Price Waterhouse, one of the earlier Joint Auditors during FY 2017-18.

**6. Project status of Subsidiaries**

**(a) Coastal Andhra Power Limited (CAPL)**

CAPL was incorporated to develop an imported coal-based Ultra Mega Power Project (UMPP) of 3,960 MW capacity located in Krishnapatnam, District Nellore, in the State of Andhra Pradesh.

The project was awarded to Reliance Power Limited (RPL) through international tariff-based competitive bidding process managed by Power Finance Corporation (PFC), the nodal agency appointed by Ministry of Power. PFC was required to set up special purpose vehicles for each UMPP and to undertake initial development of UMPPs in terms of land acquisition and key clearances and thereafter select a developer for development, financing, construction and operation of the UMPP. On emerging successful, 100% ownership of CAPL was transferred by PFC to RPL pursuant to execution of a Share Purchase Agreement (SPA); whereafter RPL became the Parent Company of CAPL.

CAPL had entered into a firm price fuel supply agreement which envisaged supply of coal from Indonesia with RCRPL, a wholly owned subsidiary of the Company. The Government of Indonesia introduced a new regulation in September, 2010 which prohibited sale of coal, including sale to affiliate companies, at below Benchmark Price which is linked to international coal prices and required adjustment of sale price every 12 months. This regulation also mandated to align all existing long-term coal supply contracts with the new regulations within one year i.e. by September, 2011. The new Indonesian regulations led to steep increase in price of coal imported from Indonesia, making the UMPP unviable and as a result CAPL could not draw down already tied-up debt for the project. The said issue was communicated to the power procurers of the UMPP with a view to enter into mutual discussions to arrive at a suitable solution to the satisfaction of all the stakeholders. The impact of new Indonesian regulation, being an industry-wide issue which impacted all imported coal-based projects in the Country, was also taken up with GoI through the Association of Power Producers.

Since no resolution could be arrived, CAPL invoked the dispute resolution provision of the PPA. The procurers also issued a notice for termination of the PPA and raised a demand for liquidated damages of ₹ 40,000 lakhs.

CAPL filed a petition before the Hon'ble High Court at Delhi inter-alia for interim relief under Section 9 of the Arbitration and Conciliation Act, 1996. The single judge of the High Court at Delhi vide order dated July 02, 2012 dismissed the petition and CAPL filed an appeal against the said order before the Division Bench of the High Court at Delhi. The Division Bench dismissed the appeal on January 15, 2019 and consequently the PPA between procurers and CAPL stood terminated. Thereafter, the procurers have encashed the Performance Bank Guarantees of ₹ 30,000 lakhs towards recovery of their liquidated damages claim.

CAPL has now filed a petition before the Central Electricity Regulatory Commission (CERC) for referring the dispute to arbitration and the petition is currently pending adjudication before CERC.

As per the terms of SPA among PFC, RPL and CAPL, on termination of PPA under Article 3.3.3 of PPA, PFC has a right to seek transfer of ownership of CAPL to PFC / entity designated by PFC. Accordingly, RPL has requested PFC to initiate process of CAPL transfer of ownership of CAPL and invite a procurers' meeting in that regard to decide on modalities of transfer.

### (b) Samalkot Power Limited (SMPL)

#### (i) With respect to 1508 Mega Watt (MW) (754 MW X 2) Plant

There is a continued uncertainty regarding availability of natural gas in the country for operation of the plant, and while SMPL is actively pursuing with relevant authorities for securing gas linkages / supply at commercially viable prices / generation opportunities, it is also evaluating alternative arrangements / approaches, including marketing of equipment pursuant to an agreement with US-EXIM, to deal with the situation. SMPL is confident of arriving at a positive resolution to the foregoing in the foreseeable future and therefore, the carrying amount of capital work in progress is considered recoverable.

#### (ii) With respect to 754 MW Plant

The Company, had entered into a Memorandum of Understanding (MOU) with the Government of Bangladesh (GoB) for developing a gas-based project of a 3000 MW capacity in a phased manner. Pursuant to the above, Reliance Bangladesh LNG and Power Limited (RBLPL), subsidiary of the Company has taken steps to conclude a long-term power purchase agreement (PPA) for supply of 718 MW (net) power from a combined cycle gas-based power plant to be set up at Meghnaghat near Dhaka in Bangladesh. In this regard, a letter of intent has been issued by Bangladesh Power Development Board to the Company on July 26, 2017.

SMPL has entered into a MOU on March 21, 2017 for sale of the Plant to RBLPL for a consideration not less than its carrying amount. Further, during the year, RBLPL has issued letter of awards to SMPL's EPC contractor Reliance Infrastructure Limited for setting up of 745 MW gas-based combined cycle power plant at Meghnaghat, Bangladesh with the assets of SMPL. SMPL is confident that RBLPL will be able to achieve financial closure and remit the sale proceeds.

Having regard to the above plans, and the continued financial support from the Company, the management believes that SMPL would be able to meet its financial and other obligations in the foreseeable future. Accordingly, the financial statements of SMPL have been prepared on a going concern basis.

### (c) Jharkhand Integrated Power Limited (JIPL)

JIPL, a wholly owned subsidiary of the Company, has been set up to develop Ultra Mega Power Project of 3,960 MW capacity located in Tilaiya, Hazaribagh District, Jharkhand. Tilaiya Ultra Mega Power project (the UMPP) was awarded to the Company through International Competitive Bidding (ICB), under the UMPP policy. Consequently, JIPL was handed over to Reliance Power Limited on August 07, 2009 by PFC. JIPL has signed a 25-year PPA with 18 Procurers in 10 States. For fuel security, the Project was allocated Kerandari B&C captive coal mine block.

Following termination of the PPA by JIPL in April 2015, the procurers have accepted the PPA termination, returned and released the Performance Bank Guarantees of ₹ 60,000 lakhs and made termination payment of ₹ 11,279 lakhs. Subsequently, Ministry of Coal, GoI has returned and released the Bank Guarantee of ₹ 20,816 lakhs, which was issued towards development of Kerandari B&C captive coal mine block.

With this, all actions arising from the termination of the PPA for Tilaiya UMPP have been successfully completed.

## 7. Applicability of NBFC Regulations

The Company, based on the objects given in the Memorandum and Articles of Association, its role in construction and operation of power plants through subsidiaries and other considerations, has been legally advised that it is not covered under the provisions of Non-Banking Financial Company as defined in the Reserve Bank of India Act, 1934 and accordingly, is not required to be registered under section 45 IA of the said Act.

## 8. Employee Stock Option Scheme (ESOS)

Pursuant to the approval accorded by the shareholders on September 30, 2007 under Section 81(1A) of the Companies Act, 1956, the Company has administered and implemented Employee Stock Option Scheme (ESOS) in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Board of Directors of the Company have constituted its ESOS Compensation Committee to operate and monitor the ESOS Scheme which is administered through Reliance Power ESOS Trust ("RPET"). The ESOS Scheme mentions that the employees of the Company are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS Plan of the Company.

The ESOS Compensation Committee of the Board of Directors (the Board) of the Company approved a grant of 20,000,000 stock options to the eligible employees of the Company and its subsidiaries on May 08, 2010. The options were granted to the employees of the Company and its subsidiaries on satisfying the performance and other eligibility criteria set out in ESOS Plan. In accordance with the ESOS Scheme, each option entitles an employee to apply for one fully paid equity share of ₹ 10 of the Company at an exercise price of ₹ 162 per share. Pursuant to the amendments made to the ESOS Scheme as approved by the ESOS Compensation Committee of the Board, effective from April 01, 2014, the Independent Directors of the Company shall not be eligible to participate in the Scheme. Further, the exercise period of the vested options may be different for different plans and shall not be longer than ten years from the date of vesting.

**Notes to the Financial Statements for the year ended March 31, 2019**

However, considering the market price of shares, none of the employee had exercised the options vested and consequently the ESOS Committee at their meeting held on May 19, 2014, has amended to ESOS Plan 2010 and extended the validity period of exercise period.

The Company, considering the proposed revision in its current Employees' Remuneration & Incentive Policy, market condition and the market price which was quoted to be under ₹ 50 per share for past six months, and after considering the recommendation of Nomination and Remuneration Committee wound up the Reliance Power - Employee Stock Option Scheme 2010 with effect from October 23, 2017.

Considering the above, the ESOS Trust has sold its shares during FY 2017-18 in the open market at a loss of ₹ 845 lakhs, impact of which has been taken to other equity in the financial statements of the Company as on March 31, 2018.

**9. Status of Dadri Project**

The Company proposed to develop a 7,480 MW gas-based power project to be located at Dadri, District Hapur, Uttar Pradesh in the year 2003. The Government of Uttar Pradesh (the GoUP) in the year 2004 acquired 2,100 acres of land and conveyed the same to the Company in the year 2005. However, certain land owners challenged the acquisition of land by the GoUP for the project before the Hon'ble Allahabad High Court. The Hon'ble Allahabad High Court quashed a part of land acquisition proceedings. Subsequently, in the appeals filed by the Company and land owners against the findings of the Hon'ble Allahabad High Court, the Hon'ble Supreme Court held the land acquisition proceedings as lapsed but upheld the right of the Company to recover the amount paid in any other proceeding. The Company has represented to the GoUP seeking compensation towards cost incurred on the land acquisition as well as other incidental expenditure thereto. Considering the above facts, the Company has classified assets related to the Dadri project under the head 'Assets classified as held for sale'. The Company has realized amount of ₹ 2,522 lakhs till March 31, 2019 from the GoUP and the balance amount is expected to be recovered in the future. Based on correspondence received from the GoUP, the Company has recognized an interest income of ₹ 8,394 lakhs till 31.03.2019. The Company has classified this as discontinued operation.

**10. Employee benefit obligations**

The Company has classified various employee benefits as under:

**(a) Leave obligations**

The leave obligations cover the Company liability for sick and privileged leave.

| Particulars                    | ₹ in lakhs     |                |
|--------------------------------|----------------|----------------|
|                                | March 31, 2019 | March 31, 2018 |
| Provision for leave encashment |                |                |
| Current*                       | 28             | 52             |
| Non-current                    | 75             | 66             |

\* The Company does not have an unconditional right to defer the settlements.

**(b) Defined contribution plans**

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
  - Employees' Pension Scheme, 1995

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

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

| Particulars  | ₹ in lakhs                   |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| (i) Contribution to provident fund                   | 26                           | 36                           |
| (ii) Contribution to employees' superannuation fund  | 2                            | 4                            |
| (iii) Contribution to employees' pension scheme 1995 | 13                           | 16                           |
|  | <b>41</b>                    | <b>56</b>                    |

## Notes to the Financial Statements for the year ended March 31, 2019

### (c) Post employment obligation

#### Gratuity

The Company has a defined benefit plan, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days basic salary for every completed years of services or part thereof in excess of six months, based on the rate of basic salary last drawn by the employee concerned.

#### (i) Significant estimates: actuarial assumptions

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

| Particulars                             | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Discount rate (per annum)               | 7.10%          | 7.65%          |
| Rate of increase in compensation levels | 7.50%          | 7.50%          |
| Rate of return on plan assets           | 7.10%          | 7.65%          |

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

#### (ii) Gratuity Plan

₹ in lakhs

| Particulars   | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|------------|
| As at April 01, 2017  | 568                         | 443                       | 125        |
| Current service cost / Return on Plan Assets                                  | 57                          | -                         | 57         |
| Past Service cost   | 7                           | -                         | 7          |
| Interest on net defined benefit liability / assets                            | 38                          | 32                        | 6          |
| Total amount recognised in Statement of Profit and Loss                       | 102                         | 32                        | 70         |
| Remeasurements during the year  |                             |                           |            |
| Return on plan assets, excluding amount included in interest expense/(income) | -                           | (19)                      | 19         |
| (Gain) / loss from change in financial assumptions                            | (9)                         | -                         | (9)        |
| (Gain) / loss from change in demographic assumptions                          | (44)                        | -                         | (44)       |
| Experience (gains) / losses   | (167)                       | -                         | (167)      |
| Total amount recognised in Other Comprehensive Income                         | (220)                       | (19)                      | (201)      |
| Employer's contribution   | -                           | 22                        | (22)       |
| Benefits paid   | (120)                       | (120)                     | -          |
| As at March 31, 2018  | 330                         | 358                       | (28)       |

| Particulars   | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|------------|
| <b>As at April 01, 2018</b>   | 330                         | 358                       | (28)       |
| Current service cost  | 35                          | -                         | 35         |
| Past Service Cost   | -                           | -                         | -          |
| Interest on net defined benefit liability / assets                            | 22                          | 26                        | (4)        |
| <b>Total amount recognised in Statement of Profit and Loss</b>                | <b>57</b>                   | <b>26</b>                 | <b>31</b>  |
| <b>Remeasurements during the year</b>   |                             |                           |            |
| Return on plan assets, excluding amount included in interest expense/(income) | -                           | 31                        | (31)       |
| (Gain) / loss from change in financial assumptions                            | 9                           | -                         | 9          |
| (Gain) / loss from change in demographic assumptions                          | -                           | -                         | -          |
| Experience (gains) / losses   | 23                          | -                         | 23         |
| <b>Total amount recognised in Other Comprehensive Income</b>                  | <b>32</b>                   | <b>31</b>                 | <b>1</b>   |
| Employer's contribution   | -                           | -                         | -          |
| Benefits payment  | (55)                        | (55)                      | -          |
| <b>As at March 31, 2019</b>   | <b>364</b>                  | <b>360</b>                | <b>4</b>   |

**Notes to the Financial Statements for the year ended March 31, 2019**

The net liability disclosed above relates to funded plans are as follows:

| Particulars                                 | ₹ in lakhs     |                |
|---|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 |
| Present value of funded obligations         | 364            | 330            |
| Fair value of plan assets                   | 360            | 358            |
| <b>Deficit / (Surplus) of gratuity plan</b> | <b>4</b>       | <b>(28)</b>    |
| Non-current portion                         | 4              | (28)           |

(iii) **Sensitivity analysis**

The sensitivity of the provision for defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                             | Impact on closing balance of provision for defined benefit obligation |                |                         |                |                         |                |
|---|---|----------------|-------------------------|----------------|-------------------------|----------------|
|   | Change in assumptions   |                | Increase in assumptions |                | Decrease in assumptions |                |
|   | March 31, 2019  | March 31, 2018 | March 31, 2019          | March 31, 2018 | March 31, 2019          | March 31, 2018 |
| Discount rate                           | 0.50%   | 0.50%          | (2.28%)                 | (2.30%)        | 2.39%                   | 2.41%          |
| Rate of increase in compensation levels | 0.50%   | 0.50%          | 2.37%                   | 2.40%          | (2.28%)                 | (2.31%)        |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The above defined benefit gratuity plan was administrated 100% by Life Insurance Corporation of India (LIC).

(v) Defined benefit liability and employer contributions

The Company will pay demand raised by LIC towards gratuity liability on time to time basis to eliminate the deficit in defined benefit plan.

The weighted average duration of the defined benefit obligation is 4.79 years (March 31, 2018 – 4.70 years).

(vi) The Company has seconded certain employees to the subsidiaries. As per the terms of the secondment, liability towards salaries, provident fund and leave encashment will be provided and paid by the respective subsidiaries and gratuity will be paid / provided by the Company. Accordingly, provision for gratuity includes cost in respect of seconded employees.

(vii) The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

### 11. Assets pledged as security

₹ in lakhs

| Particulars   | March 31, 2019   | March 31, 2018   |
|---|------------------|------------------|
| <b>Non-Current</b>                                  |                  |                  |
| <b>First charge</b>                                 |                  |                  |
| <b>Financial Assets</b>                             |                  |                  |
| Investments in shares of subsidiaries               | 914,241          | 1,099,045        |
| Loans   | 119,775          | 229,331          |
| Other financial assets                              | 495              | 200              |
| <b>Non-financial assets</b>                         |                  |                  |
| Property, plant and equipment                       | 28,683           | 29,740           |
| <b>Total Non-current assets pledged as security</b> | <b>1,063,194</b> | <b>1,358,316</b> |
| <b>Current</b>                                      |                  |                  |
| <b>First charge</b>                                 |                  |                  |
| <b>Financial assets</b>                             |                  |                  |
| Trade receivables                                   | 6,306            | 3,231            |
| Cash and bank balances                              | 13,457           | 36,677           |
| Loans   | 97,005           | 159,466          |
| Other financial assets                              | 58,176           | 18,331           |
| <b>Non-financial assets</b>                         |                  |                  |
| Other current assets                                | 2,077            | 3,890            |
| <b>Total current assets pledged as security</b>     | <b>177,021</b>   | <b>221,595</b>   |
| <b>Total assets pledged as security</b>             | <b>1,240,215</b> | <b>1,579,911</b> |

### 12. Related party transactions

As per Indian Accounting Standard 24 (Ind AS-24) 'Related Party Transactions' as prescribed by Companies (Indian Accounting Standards) Rules, 2015, the Company's related parties and transactions are disclosed below:

#### A. Parties where control exists

##### Subsidiaries: (Direct and step-down subsidiaries)

- 1 Sasan Power Limited (SPL)
- 2 Rosa Power Supply Company Limited (RPSCL)
- 3 Maharashtra Energy Generation Limited (MEGL)
- 4 Vidarbha Industries Power Limited (VIPL)
- 5 Tato Hydro Power Private Limited (THPPL)
- 6 Siyom Hydro Power Private Limited (SHPPL)
- 7 Chitrangi Power Private Limited (CPPL)
- 8 Urthing Sobla Hydro Power Private Limited (USHPPL)
- 9 Kalai Power Private Limited (KPPL)
- 10 Coastal Andhra Power Limited (CAPL)
- 11 Reliance Coal Resources Private Limited (RCRPL)
- 12 Amulin Hydro Power Private Limited (AHPPL)
- 13 Emini Hydro Power Private Limited (EHPPL)
- 14 Mihundon Hydro Power Private Limited (MHPPL)
- 15 Jharkhand Integrated Power Limited (JIPL) (upto May 16, 2018)



**Notes to the Financial Statements for the year ended March 31, 2019**

- 16 Reliance CleanGen Limited (RCGL)
- 17 Rajasthan Sun Technique Energy Private Limited (RSTEPL)
- 18 Dhursar Solar Power Private Limited (DSPPL)
- 19 Moher Power Limited (MPL)
- 20 Samalkot Power Limited (SMPL)
- 21 Reliance Prima Limited (RPrima)
- 22 Atos Trading Private Limited (ATPL)
- 23 Atos Mercantile Private Limited (AMPL)
- 24 Coastal Andhra Power Infrastructure Limited (CAPIL)
- 25 Reliance Power Netherlands BV (RPN)
- 26 PT Heramba Coal Resources (PTH)
- 27 PT Avaneesh Coal Resources (PTA)
- 28 Reliance Natural Resources Limited (RNRL)
- 29 Reliance Natural Resources (Singapore) Pte Limited (RNRL- Singapore)
- 30 Reliance Solar Resources Power Private Limited (RSRPPL)
- 31 Reliance Wind Power Private Limited (RWPPL)
- 32 Reliance Green Power Private Limited (RGPPL)
- 33 PT Sumukha Coal Services (PTS)
- 34 PT Brayan Bintang Tiga Energi (BBE)
- 35 PT Sriwijaya Bintang Tiga Energi (SBE)
- 36 Shangling Hydro Power Private Limited (SPPL)
- 37 Sumte Kothang Hydro Power Private Limited (SKPL)
- 38 Teling Hydro Power Private Limited (TPPL)
- 39 Lara Sumta Hydro Power Private Limited (LHPPL)
- 40 Purthi Hydro Power Private Limited (PHPPL)
- 41 Reliance Geothermal Power Private Limited (RGTPPL)
- 42 Reliance Bangladesh LNG & Power Limited ( RBLPL)
- 43 Reliance Power Holding FZC, Dubai (RFZC)
- 44 Reliance Bangladesh LNG Terminal Limited (RBLTL)
- 45 Reliance Chittagong Power Company Limited (RCPCL) (w.e.f. May 13, 2018)

**Associates**

| SN | Name of Company                             | % of Shares |
|----|---|-------------|
| 1  | RPL Sun Power Private Limited (RSUNPPL)     | 50%         |
| 2  | RPL Photon Private Limited (RPHOTONPL)      | 50%         |
| 3  | RPL Sun Technique Private Limited (RSUNTPL) | 50%         |

- B. (I). **Investing parties/promoters having significant influence on the Company directly or indirectly**
- (a) **Company**  
Reliance Infrastructure Limited (RInfra)
  - (b) **Individual**  
Shri Anil D. Ambani (Chairman)

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

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

#### (a) Enterprises over which individual described in clause B (I)(b) above and B (II) (b) has control / significant influence

- 1 Reliance Capital Trustee Co. Ltd. (Rcap Trustee)
- 2 Reliance Nippon Life Insurance Co. Ltd (R Nippon Life) (formerly known as Reliance Life Insurance Company Limited) (upto October 02, 2017)
- 3 Reliance Nippon Life Assets Management Limited (upto July 02, 2017) (R Nippon)
- 4 Reliance Communications Limited (RCOM)
- 5 Reliance General Insurance Company Limited (RGICL)
- 6 Reliance Big Entertainment Private Limited (RBEPL)
- 7 Mulla & Mulla and Craigie Blunt & Caroe (Mulla & Mulla)

#### (b) Key Managerial Personnel

- 1 Shri Sateesh Seth (Director)
- 2 Shri Yogendra Narain (Director) (upto September 26, 2017)
- 3 Shri D. J. Kakalia (Director)
- 4 Smt. Rashna Khan (Director)
- 5 Shri V. K. Chaturvedi (Director) (upto April 12, 2017)
- 6 Shri K. Ravi Kumar (Director)
- 7 Shri N. Venugopala Rao (Whole-time Director – upto June 30, 2018) (Chief Executive Officer) (Chief Financial Officer) (upto May 01, 2018)
- 8 Shri Ramaswami Kalidas (Company Secretary) (upto June 07, 2017)
- 9 Shri Suresh Nagarajan (Chief Financial Officer) (upto February 16, 2018)
- 10 Shri Murli M. Purohit (Company Secretary) (w.e.f. June 08, 2017)
- 11 Shri K. Raja Gopal (Chief Executive officer – w.e.f. May 02, 2018) (Whole-time Director – w.e.f. July 01, 2018)
- 12 Shri Shrenik R Vaishnav (Chief Financial Officer) (w.e.f. May 02, 2018)

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

₹ in lakhs

| SN  | Nature of transactions  | Investing parties having significant influence on the Company directly or indirectly<br>[12 B (I)(a)] | Key Managerial Personnel<br>[12 B (II) (b)] | Enterprises over which individual described in clause B (I) above and B (II) (b) have control / significant influence<br>[12 B (II)(a)] | Subsidiaries/ Associates<br>[12 A] | Total  |
|-----|---|---|---|---|------------------------------------|--------|
| (i) | <b>Transaction during the year</b>  |   |   |   |                                    |        |
| 1   | Sale of energy  | 2,633   | -   | -   | -                                  | 2,633  |
|     |   | 4,118   | -   | -   | -                                  | 4,118  |
| 2   | Service Income  | -   | -   | -   | 1,600                              | 1,600  |
|     |   | -   | -   | -   | 10,140                             | 10,140 |
| 3   | Interest on Inter-corporate deposit given   | -   | -   | -   | 4,640                              | 4,640  |
|     |   | -   | -   | -   | 6,391                              | 6,391  |
| 4   | Interest on delayed receipts  | -   | -   | -   | -                                  | -      |
|     |   | 29  | -   | -   | -                                  | 29     |
| 5   | Insurance Premium paid  | -   | -   | 500   | -                                  | 500    |
|     |   | -   | -   | 4   | -                                  | 4      |
| 6   | Interest expense towards Inter-corporate deposits and non-convertibles debentures | 7,842   | -   | -   | 13                                 | 7,855  |
|     |   | 5,269   | -   | 3,481   | 12                                 | 8,762  |

Notes to the Financial Statements for the year ended March 31, 2019

₹ in lakhs

| SN | Nature of transactions   | Investing parties having significant influence on the Company directly or indirectly<br>[12 B (I)(a)] | Key Managerial Personnel<br>[12 B (II) (b)] | Enterprises over which individual described in clause B (I) above and B (II) (b) have control / significant influence<br>[12 B (II)(a)] | Subsidiaries/ Associates<br>[12 A] | Total                       |
|----|--|---|---|---|------------------------------------|-----------------------------|
| 7  | Rent expenses  | <b>98</b><br>105  | -<br>-                                      | -<br>-  | -<br>-                             | <b>98</b><br>105            |
| 8  | Remuneration to key managerial personnel   |   |   |   |                                    |                             |
|    | a) Short term employee benefits  | -   | <b>459</b>                                  | -   | -                                  | <b>459</b>                  |
|    |  | -   | 377   | -   | -                                  | 377                         |
|    | b) Sitting Fee   | -   | <b>34</b>                                   | -   | -                                  | <b>34</b>                   |
|    |  | -   | 36  | -   | -                                  | 36                          |
| 9  | Legal and Professional Fees  | -   | -   | <b>3</b>  | -                                  | <b>3</b>                    |
|    |  | -   | -   | 1   | -                                  | 1                           |
| 10 | Reversal of interest income accrued earlier                                      | -   | -   | -   | -                                  | -                           |
|    |  | -   | -   | -   | 212                                | 212                         |
| 11 | Expenses incurred / paid on behalf of the company                                | <b>57</b><br>39   | -<br>-                                      | -<br>-  | <b>257</b><br>-                    | <b>314</b><br>39            |
| 12 | Reimbursement of expenses and advances given                                     | -<br>-  | -<br>-                                      | -<br>-  | <b>1,836</b><br>2,636              | <b>1,836</b><br>2,636       |
| 13 | Refund of advance given  | -<br>-  | -<br>-                                      | -<br>-  | <b>747</b><br>1,859                | <b>747</b><br>1,859         |
| 14 | Inter corporate deposit received   | <b>1,61,699</b><br>1,14,069   | -<br>-                                      | -<br>-  | <b>22,311</b><br>1,45,653          | <b>1,84,010</b><br>2,59,722 |
| 15 | Refund of inter corporate deposit received                                       | <b>80,366</b><br>1,35,714   | -<br>-                                      | -<br>-  | <b>29,787</b><br>97,979            | <b>1,10,153</b><br>2,33,693 |
| 16 | Assignment of Inter-corporate deposits (including interest accrued thereon) from | -<br>-  | -<br>-                                      | -<br>-  | <b>1,92,243</b><br>-               | <b>1,92,243</b><br>-        |
| 17 | Inter corporate deposit given  | -<br>-  | -<br>-                                      | -<br>-  | <b>76,620</b><br>98,966            | <b>76,620</b><br>98,966     |
| 18 | Refund of inter corporate deposit given  | -<br>-  | -<br>-                                      | -<br>-  | <b>43,127</b><br>87,115            | <b>43,127</b><br>87,115     |
| 19 | Assignment of Inter-corporate Deposits to (including interest accrued thereon)   | -<br>-  | -<br>-                                      | -<br>-  | <b>57,592</b><br>-                 | <b>57,592</b><br>-          |
| 20 | Advance taken from   | -<br>-  | -<br>-                                      | -<br>-  | <b>40,945</b><br>17,368            | <b>40,945</b><br>17,368     |
| 21 | Refund of Advance taken from   | -<br>-  | -<br>-                                      | -<br>-  | <b>3,000</b><br>16,275             | <b>3,000</b><br>16,275      |

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

₹ in lakhs

| SN   | Nature of transactions   | Investing parties having significant influence on the Company directly or indirectly<br>[12 B (I)(a)] | Key Managerial Personnel<br>[12 B (II) (b)] | Enterprises over which individual described in clause B (I) above and B (II) (b) have control / significant influence<br>[12 B (II)(a)] | Subsidiaries/ Associates<br>[12 A] | Total           |
|------|--|---|---|---|------------------------------------|-----------------|
| 22   | Sale of shares   | -   | -   | -   | -                                  | -               |
|      |  | -   | -   | -   | 10,593                             | 10,593          |
| 23   | Purchase of Asset  | -   | -   | -   | -                                  | -               |
|      |  | 37  | -   | -   | -                                  | 37              |
| 24   | Purchase of shares   | -   | -   | -   | <b>4,234</b>                       | <b>4,234</b>    |
|      |  | -   | -   | -   | -                                  | -               |
| 25   | Guarantees issued to   | -   | -   | -   | -                                  | -               |
|      |  | -   | -   | -   | 4,923                              | 4,923           |
| 26   | Provision for ICD given (including interest accrued thereon)                     | -   | -   | <b>1,43,037</b>   | -                                  | <b>1,43,037</b> |
|      |  | -   | -   | -   | -                                  | -               |
| (ii) | <b>Closing Balance</b>   |   |   |   |                                    |                 |
| 27   | Investment in Equity shares  | -   | -   | -   | <b>9,55,736</b>                    | <b>9,55,736</b> |
|      |  | -   | -   | -   | 10,52,761                          | 10,52,761       |
| 28   | Investment in Preference shares  | -   | -   | -   | <b>7,98,690</b>                    | <b>7,98,690</b> |
|      |  | -   | -   | -   | 9,40,718                           | 9,40,718        |
| 29   | Inter-corporate deposit classified as equity instruments                         | -   | -   | -   | <b>20,000</b>                      | <b>20,000</b>   |
|      |  | -   | -   | -   | 88,010                             | 88,010          |
| 30   | Loans and advances given including Inter-corporate deposit and other receivables | -   | -   | -   | <b>2,16,778</b>                    | <b>2,16,778</b> |
|      |  | -   | -   | 1,845   | 3,81,351                           | 3,83,196        |
| 31   | Short term borrowings - Inter corporate deposit                                  | <b>1,10,448</b>   | -   | -   | <b>3,71,709</b>                    | <b>4,82,157</b> |
|      |  | 29,115  | -   | -   | 4,28,362                           | 4,57,477        |
| 32   | Other financial liabilities payable  | <b>11,515</b>   | -   | -   | <b>4,256</b>                       | <b>15,771</b>   |
|      |  | 4,555   | -   | 1,185   | 1,096                              | 6,836           |
| 33   | Other current liabilities payable  | -   | -   | -   | <b>43,091</b>                      | <b>43,091</b>   |
|      |  | -   | -   | -   | 6,110                              | 6,110           |
| 34   | Trade receivables  | <b>5,862</b>  | -   | -   | -                                  | <b>5,862</b>    |
|      |  | 3,229   | -   | -   | -                                  | 3,229           |
| 35   | Other financial assets   | -   | -   | -   | <b>16,903</b>                      | <b>16,903</b>   |
|      |  | -   | -   | -   | 2,202                              | 2,202           |
| 36   | Bank / Corporate Guarantees issued to banks / financial institutions             | -   | -   | -   | <b>4,98,561</b>                    | <b>4,98,561</b> |
|      |  | -   | -   | -   | 6,10,743                           | 6,10,743        |
| 37   | Trade payables   | <b>119</b>  | -   | <b>5</b>  | -                                  | <b>124</b>      |
|      |  | 128   | -   | 2   | -                                  | 130             |

(Figures relating to current year are reflected in Bold and relating to previous year are in unbold)

**Notes to the Financial Statements for the year ended March 31, 2019**

Details of material transactions: Service income includes ₹ 1,600 lakhs from SPL (March 31, 2018: ₹ 9,100 lakhs), Interest income on Inter- corporate deposit given includes ₹ 1,435 lakhs to RCGL and ₹ 3,205 lakhs to RCRPL (March 31, 2018: ₹ 3,191 lakhs to RCGL and ₹ 3,200 lakhs to RCRPL), Inter- corporate deposit received includes ₹ 18,231 lakhs to RPSCS (March 31, 2018: ₹ 66,549 lakhs), Assignment of Inter-corporate deposit (including interest accrued thereon) from RCGL ₹ 192,243 lakhs (March 31, 2018: ₹ Nil), Inter corporate deposit given includes ₹ 35,426 lakhs to RCGL and ₹ 40,033 lakhs to VIPL (March 31, 2018: ₹ 97,355 lakhs to RCGL and ₹ Nil to VIPL), Provision for ICD given includes ₹ 15,903 lakhs to RBEPL and ₹ 127,134 lakhs to RCOM (March 31, 2018: ₹ Nil to RBEPL and ₹ Nil to RCOM), Investment in Equity shares includes SPL ₹ 473,652 lakhs and RPSCS ₹ 445,529 lakhs (March 31, 2018: SPL ₹ 547,236 lakhs and RPSCS ₹ 430,868 lakhs), Investment in Preference shares includes SPL ₹ 388,248 lakhs, RNRL Singapore ₹ 149,575 lakhs and VIPL ₹ 125,567 lakhs (March 31, 2018: SPL ₹ 448,564 lakhs, RNRL Singapore ₹ 180,729 lakhs and VIPL ₹ 143,991 lakhs), Loans and advances including Inter- corporate deposit and other receivables includes ₹ 21,287 lakhs to RCGL (March 31, 2018: ₹ 189,309 lakhs), Short term borrowing - Inter- corporate deposit includes amount ₹ 300,829 lakhs from RPSCS (March 31, 2018: ₹ 356,470 lakhs).

(iii) **Other transactions**

As per the terms of sponsor support agreement entered for the purpose of security of term loans availed by subsidiaries, the Company is required to pledge following percentage of its shareholding in the respective subsidiaries.

- 100% of equity shares of Sasan Power Limited
- 100% of equity shares of Dhursar Solar Power Private Limited
- 77% of equity shares of Rajasthan Sun Technique Energy Private Limited
- 98% of equity shares of Vidarbha Industries Power Limited
- 100% of preference shares of Sasan Power Limited
- 100% of preference shares of Dhursar Solar Power Private Limited
- 66% of preference shares of Rajasthan Sun Technique Energy Private Limited
- 100% of equity shares of Reliance Natural Resources Limited
- 0.0042% of equity shares of Coastal Andhra Power Limited

The Company has given commitments / guarantees for loans taken by SPL, SMPL, VIPL, DSPPL and RSTEPL. [Refer note 4(c)]

- (iv) The list of investment in subsidiaries along with proportion of ownership interest held and country of incorporation are disclosed in note no. 2.1 (b) (V) of consolidated financial statements.
- (v) The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.
- (vi) The above disclosures do not include accounting and balances related to financial guarantee obligation in respect of subsidiaries.
- (vii) Transactions and balances with related parties which are in excess of 10% of the total revenue and 10% of net worth respectively of the Company are considered as material transactions.
- (viii) Transactions with related parties are made on terms equivalent to those that prevail in case of arm's length transactions.

**13. Disclosure of loans and advances to subsidiaries pursuant to Schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

₹ in lakhs

| Name of Subsidiaries                        | Amount outstanding* |                | Maximum amount outstanding |                |
|---|---------------------|----------------|----------------------------|----------------|
|   | As at               |                | during the year ended      |                |
|   | March 31, 2019      | March 31, 2018 | March 31, 2019             | March 31, 2018 |
| Amulim Hydro Power Private Limited          | 40                  | 40             | 40                         | 40             |
| Atos Mercantile Private Limited             | 72                  | 72             | 72                         | 72             |
| Atos Trading Private Limited                | 3                   | 3              | 3                          | 3              |
| Chitrangi Power Private Limited             | 106,075             | 110,788        | 110,788                    | 128,789        |
| Coastal Andhra Power Infrastructure Limited | 469                 | 327            | 469                        | 327            |
| Coastal Andhra Power Limited                | 25,825              | 25,135         | 25,178                     | 25,135         |
| Emini Hydro Power Private Limited           | 21                  | 21             | 21                         | 21             |
| Jharkhand Integrated Power Limited          | -                   | 14,700         | -                          | 14,831         |
| Kalai Power Private Limited                 | 29                  | -              | 29                         | -              |

## Reliance Power Limited

### Notes to the Financial Statements for the year ended March 31, 2019

| Name of Subsidiaries                           | Amount outstanding* |                   | Maximum amount outstanding |                   |
|--|---------------------|-------------------|----------------------------|-------------------|
|  | As at               |                   | during the year ended      |                   |
|  | March<br>31, 2019   | March<br>31, 2018 | March<br>31, 2019          | March<br>31, 2018 |
| Mihundon Hydro Power Private Limited           | 2                   | 2                 | 2                          | 2                 |
| Rajasthan Sun Technique Energy Private Limited | 265                 | 190               | 296                        | 190               |
| Reliance CleanGen Limited                      | 21,287              | 189,309           | 213,953                    | 221,302           |
| Reliance Coal Resources Private Limited        | 43,641              | 40,022            | 43,641                     | 40,042            |
| Samalkot Power Limited                         | 339                 | 69                | 339                        | 69                |
| Sasan Power Limited                            | -                   | -                 | -                          | 1,758             |
| Siyom Hydro Power Private Limited              | 194                 | 108               | 194                        | 108               |
| Tato Hydro Power Private Limited               | 356                 | 188               | 356                        | 188               |
| Urthing Sobla Hydro Power Private Limited      | 74                  | 73                | 74                         | 73                |
| Lara Sumta Hydro Power Private Limited         | -                   | -                 | -                          | 1                 |
| Purthi Hydro Power Private Limited             | -                   | 3                 | -                          | 3                 |
| Sumte Kothang Hydro Power Private Limited      | -                   | 1                 | -                          | 1                 |
| Shangling Hydro Power Private Limited          | 14                  | 14                | 14                         | 14                |
| Teling Hydro Power Private Limited             | 24                  | 24                | 24                         | 24                |
| Reliance Green Power Private Limited           | 3                   | 9                 | 9                          | 59                |
| Reliance Geothermal Power Private Limited      | 26                  | 26                | 26                         | 26                |
| Vidarbha Industries Power Limited              | 33,929              | 218               | 33,929                     | 218               |
| Dhursar Solar Power Private Limited            | 19                  | 12                | 19                         | 12                |
| Reliance Bangladesh LNG & Power Limited        | 974                 | 974               | 974                        | 974               |

\*Includes Inter corporate deposits and other receivables.

As at the year end, the Company has no loans and advances in the nature of loans to firms/companies in which directors are interested.

#### 14. Earnings per share

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Profit available to equity shareholders</b>                                     |                              |                              |
| Profit / (Loss) for Basic and Diluted Earnings per Share for Continuing Operations |                              |                              |
| Before effect of withdrawal from Scheme (A) (₹ in lakhs)                           | (162,280)                    | (256)                        |
| After effect of withdrawal from Scheme (B) (₹ in lakhs)                            | (60,578)                     | (256)                        |
| Profit / (Loss) of Discontinued Operations (C) (₹ in lakhs)                        | 412                          | 481                          |
| Profit / (Loss) of Continued and Discontinued operations                           |                              |                              |
| Before effect of withdrawal from Scheme (D) (₹ in lakhs)                           | (161,868)                    | 225                          |
| After effect of withdrawal from Scheme (E) (₹ in lakhs)                            | (60,166)                     | 225                          |
| <b>Number of equity shares</b>   |                              |                              |
| Weighted average number of equity shares outstanding (F)                           | 2,805,126,466                | 2,805,126,466                |
| Basic and diluted earnings per share for Continued Operations                      |                              |                              |
| Before effect of withdrawal from Scheme (A / F) (₹)                                | (5.785)                      | (0.009)                      |
| After effect of withdrawal from Scheme (B / F) (₹)                                 | (2.160)                      | (0.009)                      |
| Basic and diluted earnings per share for Discontinued Operations (C / F) (₹)       | 0.015                        | 0.017                        |
| Basic and diluted earnings per share for Continued and Discontinued Operations     |                              |                              |
| Before effect of withdrawal from Scheme (D / F) (₹)                                | (5.770)                      | 0.008                        |
| After effect of withdrawal from Scheme (E / F) (₹)                                 | (2.145)                      | 0.008                        |
| Nominal value of an equity share (₹)   | 10                           | 10                           |

## Notes to the Financial Statements for the year ended March 31, 2019

## 15. Income taxes

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as under:

## (a) Income tax recognised in Statement of Profit and Loss

|   |                | ₹ in lakhs     |  |
|---|----------------|----------------|--|
| Particulars   | March 31, 2019 | March 31, 2018 |  |
| (i) <b>Income tax expense</b>                       |                |                |  |
| Current year tax                                    | -              | -              |  |
| (ii) <b>Deferred tax</b>                            |                |                |  |
| Deferred tax expense / (credit)                     | (1,252)        | 321            |  |
| <b>Total income tax expense / (credit) (i)+(ii)</b> | <b>(1,252)</b> | <b>321</b>     |  |

Deferred tax assets aggregating to ₹ 22,761 lakhs as on March 31, 2019 pertains to unabsorbed depreciation, business losses, long term capital losses, provision for gratuity & leave encashment and deferred tax liability of ₹ 2,273 lakhs pertains to temporary differences between books and tax base of PPE. Accordingly, on prudence basis deferred tax asset has been restricted to Nil as on March 31, 2019.

## (b) The reconciliation of tax expense and the accounting profit multiplied by tax rate

|   |                 | ₹ in lakhs     |  |
|---|-----------------|----------------|--|
| Particulars   | March 31, 2019  | March 31, 2018 |  |
| Profit / (Loss) before tax (including discontinued operation)                                   | (61,418)        | 546            |  |
| <b>Tax at the Indian tax rate of 26% (March 31, 2018: 34.608%)</b>                              | <b>(15,969)</b> | <b>189</b>     |  |
| Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:       |                 |                |  |
| Unrealised exchange gain  | (3,787)         | (2,262)        |  |
| Corporate social responsibility expenditure   | 33              | 49             |  |
| Other items (net)   | (190)           | 12             |  |
| Deferred tax assets to the extent of liability for earlier years recognised in the current year | (1,252)         | -              |  |
| Income on financial instruments not taxable under Income Tax Act, 1961 (net)                    | (1,613)         | (6,438)        |  |
| Tax losses on which no deferred tax assets was recognised                                       | 21,526          | 8,771          |  |
| <b>Income tax expense / (credit)</b>  | <b>(1,252)</b>  | <b>321</b>     |  |

## (c) Tax assets (Refer note 3.4)

|   |                | ₹ in lakhs     |  |
|---|----------------|----------------|--|
| Particulars                             | March 31, 2019 | March 31, 2018 |  |
| Opening balance                         | 2,032          | 1,840          |  |
| Add: Taxes paid                         | -              | 13             |  |
| Add: Tax credit availed during the year | 1,031          | 179            |  |
| Less : Refund of income-tax             | -              | -              |  |
| Less: Current tax payable for the year  | -              | -              |  |
| <b>Closing balance</b>                  | <b>3,063</b>   | <b>2,032</b>   |  |

## (d) Deferred tax (Refer note 3.12)

|   |                | ₹ in lakhs     |  |
|---|----------------|----------------|--|
| Particulars   | March 31, 2019 | March 31, 2018 |  |
| Opening balance   | 1,252          | 932            |  |
| Add : Net deferred tax liability for the year             | -              | 321            |  |
| Less: Reversal of deferred tax liability of earlier years | (1,252)        | -              |  |
| <b>Closing balance</b>                                    | <b>-</b>       | <b>1,252</b>   |  |



# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

### (e) Unused tax

| ₹ in lakhs   |                |                |
|--|----------------|----------------|
| Particulars  | March 31, 2019 | March 31, 2018 |
| Unused tax losses for which no deferred tax assets has been recognised | 87,384         | 55,808         |
| Potential tax benefits @ 26% / 20%                                     | 21,259         | 15,757         |
| (March 31, 2018: @ 34.608% / 20%)                                      |                |                |

### Year wise expiry of such losses as at March 31, 2019 is as under:

| ₹ in lakhs |                              |                |
|------------|------------------------------|----------------|
| SN         | Particulars                  | Amount of Loss |
| 1          | Expiring within 1 year       | 13,611         |
| 2          | Expiring within 1 to 5 years | 20,566         |
| 3          | Expiring within 5 to 8 years | 41,181         |
| 4          | Without expiry limit         | 12,026         |
|            | <b>Total</b>                 | <b>87,384</b>  |

## 16. Fair value measurements

### (a) Financial instruments by category

| ₹ in lakhs                                      |                |           |                |                |           |                |
|---|----------------|-----------|----------------|----------------|-----------|----------------|
| Particulars                                     | March 31, 2019 |           |                | March 31, 2018 |           |                |
|   | FVTPL          | FVOCI     | Amortised cost | FVTPL          | FVOCI     | Amortised cost |
| <b>Financial assets</b>                         |                |           |                |                |           |                |
| <b>Investments</b>                              |                |           |                |                |           |                |
| - Equity instruments                            | -              | 1,774,421 | -              | -              | 1,900,759 | -              |
| - Debt instruments                              | -              | -         | -              | -              | -         | 180,729        |
| Loans   | -              | -         | 216,780        | -              | -         | 388,797        |
| Trade receivables                               | -              | -         | 6,306          | -              | -         | 3,231          |
| Cash and cash equivalents                       | -              | -         | 772            | -              | -         | 47,600         |
| Other bank balances                             | -              | -         | 12,985         | -              | -         | 14,376         |
| Bank deposits with more than 12 months maturity | -              | -         | 495            | -              | -         | 200            |
| Other financial assets                          | -              | -         | 58,176         | -              | -         | 18,331         |
| <b>Total financial assets</b>                   | -              | 1,774,421 | 295,514        | -              | 1,900,759 | 653,264        |
| <b>Financial liabilities</b>                    |                |           |                |                |           |                |
| Borrowings                                      | -              | -         | 774,106        | -              | -         | 799,514        |
| Trade payables                                  | -              | -         | 2,795          | -              | -         | 1,479          |
| Financial guarantee obligation                  | -              | -         | 4,458          | -              | -         | 7,668          |
| Other financial liabilities                     | -              | -         | 5,247          | -              | -         | 9,274          |
| <b>Total financial liabilities</b>              | -              | -         | 786,606        | -              | -         | 817,935        |

### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The Company has not disclosed the fair values of financial instruments such as short-term trade receivables, trade payables, cash and cash equivalents, Fixed deposits, Security deposits etc. as carrying

Notes to the Financial Statements for the year ended March 31, 2019

value is reasonable approximation of the fair values. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standards. An explanation of each level follows underneath the table:

|   | ₹ in lakhs     |                |                  |                  |
|---|----------------|----------------|------------------|------------------|
| <b>Financial assets and liabilities measured at fair value – recurring fair value measurements as at March 31, 2019</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b>   | <b>Total</b>     |
| <b>Financial assets</b>   |                |                |                  |                  |
| <b>Financial Investments at FVOCI</b>   |                |                |                  |                  |
| Unquoted equity instruments – Investments in Subsidiaries   | -              | -              | 1,774,421        | <b>1,774,421</b> |
| <b>Total financial assets</b>   | <b>-</b>       | <b>-</b>       | <b>1,774,421</b> | <b>1,774,421</b> |

|   | ₹ in lakhs     |                |                |                |
|---|----------------|----------------|----------------|----------------|
| <b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2019</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
| <b>Financial assets</b>   |                |                |                |                |
| Debt instruments- Investments in subsidiaries   | -              | -              | -              | -              |
| <b>Loans</b>  |                |                |                |                |
| Inter-corporate deposits to subsidiaries  | -              | -              | 119,775        | <b>119,775</b> |
| <b>Total financial assets</b>   | <b>-</b>       | <b>-</b>       | <b>119,775</b> | <b>119,775</b> |

|                                    |          |                |              |                |
|------------------------------------|----------|----------------|--------------|----------------|
| <b>Financial Liabilities</b>       |          |                |              |                |
| Borrowings                         | -        | 153,300        | -            | <b>153,300</b> |
| Financial Guarantee obligation     | -        | -              | 4,458        | <b>4,458</b>   |
| <b>Total financial liabilities</b> | <b>-</b> | <b>153,300</b> | <b>4,458</b> | <b>157,758</b> |

| <b>Financial assets and liabilities measured at fair value – recurring fair value measurements as at March 31, 2018</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b>   | <b>Total</b>     |
|---|----------------|----------------|------------------|------------------|
| <b>Financial assets</b>   |                |                |                  |                  |
| <b>Financial Investments at FVOCI</b>   |                |                |                  |                  |
| Unquoted equity instruments – Investments in Subsidiaries   | -              | -              | 1,900,759        | 1,900,759        |
| <b>Total financial assets</b>   | <b>-</b>       | <b>-</b>       | <b>1,900,759</b> | <b>1,900,759</b> |

| <b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2018</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|---|----------------|----------------|----------------|----------------|
| <b>Financial assets</b>   |                |                |                |                |
| Debt instruments- Investments in subsidiaries*  | -              | -              | 180,729        | 180,729        |
| <b>Loans</b>  |                |                |                |                |
| Inter-corporate deposits to subsidiaries  | -              | -              | 229,331        | 229,331        |
| <b>Total financial assets</b>   | <b>-</b>       | <b>-</b>       | <b>410,060</b> | <b>410,060</b> |

|                                    |          |                |              |                |
|------------------------------------|----------|----------------|--------------|----------------|
| <b>Financial Liabilities</b>       |          |                |              |                |
| Borrowings                         | -        | 262,061        | -            | 262,061        |
| Financial Guarantee obligation     | -        | -              | 7,668        | 7,668          |
| <b>Total financial liabilities</b> | <b>-</b> | <b>262,061</b> | <b>7,668</b> | <b>269,729</b> |

(\*) These Debt Instruments are due for redemption within six months from the reporting date. Therefore, the management has estimated the fair value of these debt instruments shall be approximately same as the amortised cost.

## Notes to the Financial Statements for the year ended March 31, 2019

### (c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

| Particulars  | ₹ in lakhs                                      |
|--|---|
|  | Investment in subsidiaries - Equity instruments |
| As at March 31, 2017   | 1,799,458                                       |
| Conversion of loan into equity shares  | 13,520  |
| Sale of investment in Hydro Companies  | (10,592)  |
| Gains / (losses) recognised in Other Comprehensive Income                              | 98,373  |
| As at March 31, 2018   | <b>1,900,759</b>                                |
| Conversion of loan into equity shares  | 133   |
| RNRL- Singapore convertible Preference shares (classified from current to non-current) | 194,872   |
| Acquisition  | 4,234   |
| Gains / (losses) recognised in Other Comprehensive Income                              | (325,577)                                       |
| <b>As at March 31, 2019</b>  | <b>1,774,421</b>                                |

### Sensitivity analysis

| Particulars                             | ₹ in lakhs       |                |
|---|------------------|----------------|
|   | March 31, 2019   | March 31, 2018 |
| Fair value - Unlisted Equity Securities | <b>1,774,421</b> | 1,900,759      |
| Significant unobservable inputs         |                  |                |
| <b>Risk adjusted discount rate</b>      |                  |                |
| Increase by 50 bps                      | <b>(30,900)</b>  | (87,700)       |
| Decrease by 50 bps                      | <b>32,700</b>    | 34,300         |

### (d) Fair value of financial assets and liabilities measured at amortised cost

| Particulars                                   | March 31, 2019  |                | March 31, 2018  |            |
|---|-----------------|----------------|-----------------|------------|
|   | Carrying amount | Fair value     | Carrying amount | Fair value |
| <b>Financial assets</b>                       |                 |                |                 |            |
| Debt instruments- Investments in subsidiaries | -               | -              | 180,729         | 180,729    |
| <b>Loans</b>                                  |                 |                |                 |            |
| Inter-corporate deposits to Subsidiaries      | <b>119,775</b>  | <b>119,775</b> | 229,331         | 229,331    |
| <b>Total financial assets</b>                 | <b>119,775</b>  | <b>119,775</b> | 410,060         | 410,060    |
| <b>Financial Liabilities</b>                  |                 |                |                 |            |
| Borrowings                                    | <b>153,300</b>  | <b>153,300</b> | 262,061         | 262,061    |
| Financial guarantee obligation                | <b>4,458</b>    | <b>4,458</b>   | 7,668           | 7,668      |
| <b>Total financial liabilities</b>            | <b>157,758</b>  | <b>157,758</b> | 269,729         | 269,729    |

### (e) Valuation technique used to determine fair values

The fair value of financial instruments is determined using discounted cash flow analysis.

The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will be evaluated for their carrying amounts based on any change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans).

For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

## Notes to the Financial Statements for the year ended March 31, 2019

### Note

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

There are no transfers between any levels during the year.

The Company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

### 17. Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk and credit risk.

| Risk                           | Exposure arising from   | Measurement                 | Management  |
|--------------------------------|---|-----------------------------|---|
| Credit Risk                    | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost     | Ageing analysis             | Diversification of bank deposits, letters of credit             |
| Liquidity Risk                 | Borrowings and other liabilities  | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk – foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (₹)               | Sensitivity analysis        | Un hedged   |
| Market risk – interest rate    | Long-term borrowings at variable rates  | Sensitivity analysis        | Un hedged   |
| Market risk– price risk        | Unquoted investment in equity shares of subsidiaries – not exposed to price risk fluctuations | -                           | -   |

#### (a) Credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade customers including outstanding receivables.

#### Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risk arises from accounts receivable balances on sale of electricity is based on tariff rate approved by electricity regulator and inter-corporate deposits/loans are given to subsidiaries incorporated as special purpose vehicle for power projects awarded to the Company. The credit risk is very low as the sale of electricity is based on the terms of the PPA which has been approved by the Regulator. With respect to inter corporate deposits/ loans given to subsidiaries, the Company will be able to control the cash flows of those subsidiaries as the subsidiaries are wholly owned by the Company.

For deposits with banks and financial institutions, only highly rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level. The Company's policy to manage this risk is to invest in debt securities that have a good credit rating.

#### (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company's treasury function maintains flexibility in funding by maintaining availability under committed credit lines.

In respect of its existing operations, the Company funds its activities primarily through long-term loans secured against each power plant. In addition, each of the operating plants has working capital loans available to it which are renewed annually, together with certain intra-group loans. The Company's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level.

## Notes to the Financial Statements for the year ended March 31, 2019

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at the operating subsidiaries level of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintained debt financing plans.

Periodic budgets and rolling forecasts are prepared at the level of operating subsidiaries as regular practice and in accordance with limits specified by the Company. There is delay/ default in repayment of loans for ₹ 13,066 lakhs as at the end of the financial year. The Company has been pursuing proposed strategic transactions/ sale of assets and overall financial restructuring, when executed, would make available the required liquidity for the continuing business and would also provide an extended maturity period for repayment of restructured balance debt.

### (i) Maturities of financial liabilities

The amounts disclosed below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| ₹ in lakhs                          |                  |                            |                   |                |
|-------------------------------------|------------------|----------------------------|-------------------|----------------|
| March 31, 2019                      | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total          |
| <b>Financial liabilities</b>        |                  |                            |                   |                |
| Borrowings*                         | 704,461          | 93,439                     | 30,808            | 828,708        |
| Trade payables                      | 2,795            | -                          | -                 | 2,795          |
| Creditors for supplies and services | 255              | -                          | -                 | 255            |
| Dues to subsidiaries                | 4,256            | -                          | -                 | 4,256          |
| Financial guarantee obligations     | 2,021            | 2,031                      | 404               | 4,456          |
| Others                              | 735              | -                          | -                 | 735            |
| <b>Total financial liabilities</b>  | <b>714,523</b>   | <b>95,470</b>              | <b>31,212</b>     | <b>841,205</b> |

| ₹ in lakhs                          |                  |                            |                   |                |
|-------------------------------------|------------------|----------------------------|-------------------|----------------|
| March 31, 2018                      | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total          |
| <b>Financial liabilities</b>        |                  |                            |                   |                |
| Borrowings*                         | 617,783          | 199,603                    | 63,335            | 880,721        |
| Trade payables                      | 1,479            | -                          | -                 | 1,479          |
| Creditors for supplies and services | 79               | -                          | -                 | 79             |
| Dues to subsidiaries                | 7,206            | -                          | -                 | 7,206          |
| Financial guarantee obligations     | 3,210            | 3,829                      | 627               | 7,666          |
| Others                              | 8,099            | -                          | -                 | 8,099          |
| <b>Total financial liabilities</b>  | <b>637,856</b>   | <b>203,432</b>             | <b>63,962</b>     | <b>905,250</b> |

\* Includes contractual interest payments based on the interest rate prevailing at the reporting date.

### (c) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds monetary assets in the form of investments in US Dollar. Further, it has long term monetary liabilities which are in US dollar other than its functional currency.

While the Company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated securities and borrowings, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of companies in which the Company invests. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Company's net assets attributable to holders of equity shares of future movements in foreign exchange rates.

**Notes to the Financial Statements for the year ended March 31, 2019**

- Foreign currency risk exposure**

The Company's exposure to foreign currency risk (all in USD) at the end of the reporting period expressed in ₹, are as follows:

| ₹ in lakhs   |                |                |
|--|----------------|----------------|
| Particulars  | March 31, 2019 | March 31, 2018 |
| <b>Financial assets</b>                                    |                |                |
| Investments  | -              | 180,729        |
| <b>Net exposure to foreign currency risk (assets)</b>      | -              | 180,729        |
| <b>Financial liabilities</b>                               |                |                |
| Borrowings   | 9,098          | 9,618          |
| Interest accrued on borrowings                             | 177            | 159            |
| <b>Net exposure to foreign currency risk (liabilities)</b> | 9,275          | 9,777          |

- Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| ₹ in lakhs  |  |                |
|---|--|----------------|
| Particulars   | Impact on profit / (Loss) before tax / PPE |                |
|   | March 31, 2019                             | March 31, 2018 |
| FX rate – increase by 6% on closing rate on reporting date* | (556)                                      | 6,720          |
| FX rate– decrease by 6% on closing rate on reporting date*  | 556  | (6,720)        |

\* Holding all other variables constant

The above amounts have been disclosed based on the accounting policy for exchange differences [Refer note 2.1(m)].

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at variable rate were mainly denominated in ₹.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

- Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| ₹ in lakhs               |                |                |
|--------------------------|----------------|----------------|
| Particulars              | March 31, 2019 | March 31, 2018 |
| Variable rate borrowings | 155,486        | 191,292        |

- Interest sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates for the next one year.

| ₹ in lakhs  |                                      |                |
|---|--------------------------------------|----------------|
| Particulars   | Impact on profit / (loss) before tax |                |
|   | March 31, 2019                       | March 31, 2018 |
| <b>Interest sensitivity</b>                               |                                      |                |
| Interest cost – increase by 5% on existing Interest cost* | (727)                                | (847)          |
| Interest cost – decrease by 5% on existing Interest cost* | 727                                  | 847            |

\* Holding all other variables constant

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

### 18. Capital Management

#### (a) Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity including the fair value impact. Debt includes long-term loan and short term loans. The following table summarizes the capital of the Company:

| Particulars                       | ₹ in lakhs       |                  |
|-----------------------------------|------------------|------------------|
|                                   | March 31, 2019   | March 31, 2018   |
| Equity (excluding other reserves) | 1,322,242        | 1,382,408        |
| Debt                              | 754,000          | 791,180          |
| <b>Total</b>                      | <b>2,076,242</b> | <b>2,173,588</b> |

(b) Final Dividends for the year ended March 31, 2019 is ₹ Nil (March 31, 2018: ₹ Nil).

### 19. Segment reporting

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

#### Information about major customers

Revenue from sale of energy for the years ended March 31, 2019 and March 31, 2018 were from customers located in India. Customers include private distribution entities. Revenue from sale of energy to specific customers exceeding 10% of total revenue for the years ended March 31, 2019 and March 31, 2018 were as follows: [Refer note 2.1(n)(i)]

| Customer Name                    | ₹ in lakhs         |         |                |         |
|----------------------------------|--------------------|---------|----------------|---------|
|                                  | For the year ended |         | March 31, 2018 |         |
|                                  | March 31, 2019     |         | Revenue        | Percent |
|                                  | Revenue            | Percent |                |         |
| R Infra                          | 2,633              | 65%     | 4,118          | 100%    |
| Adani Electricity Mumbai Limited | 1,402              | 35%     | -              | -       |

### 20. Exchange Difference on Long Term Monetary Items

As explained above in note 2.1(m) with respect to accounting policy followed by the Company for recording of foreign exchange differences, the Company has accumulated a gain of ₹ Nil (March 31, 2018 ₹ 3,416 lakhs) in "Foreign currency monetary item translation difference account" towards exchange variation on revaluation of long term monetary items other than on account of depreciable assets and has adjusted the value of Plant and equipment by loss of ₹ 612 lakhs (March 31, 2018 loss of ₹ 32 lakhs) towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

### 21. Corporate social responsibility (CSR)

As per the section 135 of the Companies Act, 2013, the Company is required to spend ₹ 128 lakhs (March 31, 2018 ₹ 143 lakhs), being 2% of the average net profits during the three immediately preceding financial years, towards CSR activity. The Company has made a contribution of ₹ 128 lakhs (March 31, 2018 ₹ 143 lakhs) to facilitate education and environmental sustainability.



Notes to the Financial Statements for the year ended March 31, 2019

**22. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Disclosure of amounts 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.

| Particulars   | ₹ in lakhs              |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Principal amount due to suppliers as at the year end  | 1                       | -                       |
| Interest accrued, due to suppliers on the above amount, and unpaid as at the year end   | -                       | -                       |
| Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED   | -                       | -                       |
| Interest paid to suppliers under MSMED Act (other than Section 16)  | -                       | -                       |
| Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year   | -                       | -                       |
| Amount of Interest due and payable for the period of delay in making the payment, which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act  | -                       | -                       |
| Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers   | -                       | -                       |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED | -                       | -                       |

23. (a) Pursuant to the agreement with its subsidiary, Reliance CleanGen Limited, the Company has received receivables of ₹ 192,243 lakhs through assignment. The Company has also assigned receivables of ₹ 49,206 lakhs to its subsidiary Rosa Power Supply Company Limited.

(b) **Exceptional items:**

During the year, the Company has carried out impairment testing of its assets and provided for impairment of receivables aggregating to ₹ 143,037 lakhs and considered the same as an exceptional item and adjusted by withdrawing ₹ 101,702 lakhs from General Reserve pursuant to the composite scheme of arrangement between the Company, Reliance Natural Resources Limited, erstwhile Reliance Futura Limited and four wholly owned subsidiaries viz. Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited approved by the Hon'ble High Court of Judicature of Mumbai vide order dated October 15, 2010 wherein the Company is permitted to offset any expenses or losses, which in the opinion of the Board of Directors are beyond the control of the Company. Had such provision of expenses not been met from General Reserve, the exceptional item for the year ended March 31, 2019 would have increased by ₹ 101,702 lakhs and as a consequential effect of this, loss after tax for the year would have been higher by ₹ 101,702 lakhs for the year ended March 31, 2019 and General Reserve would have been higher by an equivalent amount. This accounting treatment as per Scheme is considered to override the provisions of Ind AS 1 "Presentation of Financial Statements". This matter has been referred by the auditors in their report as emphasis of matter.

24. The Company has incurred significant net losses (after impairment of assets) of ₹ 60,166 lakhs during the year and its current liabilities exceed the current assets by ₹ 567,427 lakhs as at March 31, 2019. Further, in respect of certain loan arrangements of certain subsidiaries, the amounts aggregating to ₹ 372,785 lakhs have fallen due and /or have been reclassified as current liabilities by the respective subsidiary companies. The Company is sponsor guarantor in respect of aforesaid loan arrangements and consequently, the Company's ability to meet its obligations is significantly dependent on restructuring of lending arrangements, finalization of customers/alternatives in relation to monetization of assets and favourable and timely outcome of various claims etc. The Company considers that such cash flows would enable it to service its debt, realize its assets and discharge its liabilities in the normal course of its business. Accordingly, the standalone annual financial results of the Company have been prepared on a going concern basis.
25. RPL Solar Power Private Limited, RPL Sunlight Power Private Limited, RPL Surya Power Private Limited, RPL Solaris Power Private Limited and Vinayak Ventures Private Limited have lent an amount aggregating to ₹ 38,456 lakhs to the Company during the year. The Company does not have any influence on the directors on the operations of the said companies and hence, does not regard the said companies as related parties. However, the Audit Committee at its meeting held on June 08, 2019 has out of abundant caution and in compliance with the highest standards of corporate governance considered and ratified the transactions.

# Reliance Power Limited

## Notes to the Financial Statements for the year ended March 31, 2019

### 26. Disclosure pursuant to para 44 A to 44 E of Ind AS 7 – Statement of cash flows

|   |                              | ₹ in lakhs                   |  |
|---|------------------------------|------------------------------|--|
| Particulars   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |  |
| <b>Long term Borrowings</b>   |                              |                              |  |
| Opening Balance   |                              |                              |  |
| – Non Current   | 200,744                      | 149,765                      |  |
| – Current   | 59,558                       | 60,142                       |  |
| Avalied during the year   | -                            | 111,000                      |  |
| <b>Changes in Fair Value</b>  |                              |                              |  |
| – Impact of Effective Rate of Interest  | (1,111)                      | 1,127                        |  |
| – Exchange (gain) / loss  | 612                          | 32                           |  |
| Repaid during the year  | (109,145)                    | (61,763)                     |  |
| <b>Closing Balance</b>  | <b>150,658</b>               | <b>260,303</b>               |  |
| <b>Short term Borrowings</b>  |                              |                              |  |
| Opening Balance   | 530,878                      | 516,807                      |  |
| Avalied during the year*  | 244,163                      | 319,920                      |  |
| Repaid/ Assignment during the year**  | (171,700)                    | (305,849)                    |  |
| <b>Closing Balance</b>  | <b>603,341</b>               | <b>530,878</b>               |  |
| <b>Interest Expenses</b>  |                              |                              |  |
| Interest accrued but not due on borrowings  | 8,334                        | 3,732                        |  |
| Interest charge as per Statement of Profit & Loss / Intangible assets under development | 47,662                       | 40,678                       |  |
| <b>Changes in Fair Value</b>  |                              |                              |  |
| – Impact of Interest  | (1,564)                      | (1,396)                      |  |
| Interest paid to Lenders  | (34,325)                     | (34,680)                     |  |
| <b>Closing Balance</b>  | <b>20,107</b>                | <b>8,334</b>                 |  |

\*Includes encashment of bank guarantee of ₹ 17,783 lakhs

\*\*Includes assignment of ₹ 49,206 lakhs

27. During FY 2017-18, the Company has sold its entire holding in its six wholly owned subsidiaries viz. Lara Sumta Hydro Power Private Limited, Purthi Hydro Power Private Limited, Sumte Kothang Hydro Power Private Limited, Amulin Hydro Power Private Limited, Emini Hydro Power Private Limited and Mihundon Hydro Power Private Limited to its another wholly owned subsidiary M/s. Reliance Cleangen Limited (RCGL) on January 23, 2018. On account of such sale, the Company has recognized a gain of ₹ 6 lakhs in other comprehensive income.

### 28. Delay/Default in repayment of Borrowings (Non-current) and Interest

The Company has delayed/defaulted in the payment of dues to the banks. The lender wise details are as under:

| SN | Name of Lender     | Borrowings  |                          |                              |                          | Interest  |                          |                              |                          |
|----|--------------------|---|--------------------------|------------------------------|--------------------------|---|--------------------------|------------------------------|--------------------------|
|    |                    | Delay in repayment during the year ended March 31, 2019 |                          | Default as at March 31, 2019 |                          | Delay in repayment during the year ended March 31, 2019 |                          | Default as at March 31, 2019 |                          |
|    |                    | Amount<br>(₹ in lakhs)                                  | Period<br>(Maximum days) | Amount<br>(₹ in lakhs)       | Period<br>(Maximum days) | Amount<br>(₹ in lakhs)                                  | Period<br>(Maximum days) | Amount<br>(₹ in lakhs)       | Period<br>(Maximum days) |
| 1  | Axis Bank          | 6,750   | 91                       | 2,750                        | 59                       | 1,249   | 91                       | 651                          | 59                       |
| 2  | Yes Bank           | 17,600  | 84                       | 9,876                        | 59                       | 6,843   | 86                       | 1,030                        | 58                       |
| 3  | Axis Bank Dubai    | 757   | 87                       | 377                          | 1                        | 351   | 87                       | -                            | -                        |
| 4  | Lakshmi Vilas Bank | 125   | 33                       | 63                           | 1                        | 666   | 43                       | 210                          | 31                       |
|    |                    | <b>25,232</b>   |                          | <b>13,066</b>                |                          | <b>9,109</b>  |                          | <b>1,891</b>                 |                          |

**Notes to the Financial Statements for the year ended March 31, 2019**

- 29.** The Honourable Supreme Court has passed a decision on February 28, 2019 in relation to inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining contribution to Provident Fund under the Employees Provident Funds and Miscellaneous Provisions Acts, 1952. The Company is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statement, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.
- 30.** The figures for the previous year are re-casted / re-grouped, wherever necessary.

|   |  |   |                           |
|---|--|---|---------------------------|
| As per our attached report of even date |  | For and on behalf of the Board of Directors |                           |
| <b>For B S R &amp; Co. LLP</b>          |  | <b>Anil D Ambani</b>                        | Chairman                  |
| Chartered Accountants                   |  | <b>Sateesh Seth</b>                         | } Director                |
| Firm Registration No: 101248W/W-100022  |  | <b>K. Ravikumar</b>                         |                           |
|   |  | <b>D. J. Kakalia</b>                        |                           |
|   |  | <b>Rashna Khan</b>                          |                           |
| <b>Bhavesh Dhupelia</b>                 |  | <b>K. Raja Gopal</b>                        | Whole-time Director & CEO |
| Partner                                 |  | <b>Shrenik R Vaishnav</b>                   | Chief Financial Officer   |
| Membership No: 042070                   |  | <b>Murli Manohar Purohit</b>                | Company Secretary         |
| Place : Mumbai                          |  | Place : Mumbai                              |                           |
| Date : June 08, 2019                    |  | Date : June 08, 2019                        |                           |

**For Pathak H.D. & Associates**  
Chartered Accountants  
Firm Registration No: 107783W

**Vishal D. Shah**  
Partner  
Membership No: 119303

Place : Mumbai  
Date : June 08, 2019

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results -

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019<br>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] |  |  |   |   |
|--|--|--|---|---|
| I.   | SN   | Particulars  | Audited Figures (as reported before adjusting for qualifications)<br>(₹ in lakhs) | Adjusted Figures (audited figures after adjusting for qualifications)<br>(₹ in lakhs) |
|  | 1.   | Total income   | 34,496  | Not Determinable  |
|  | 2.   | Total Expenditure (including exceptional items)  | 96,326  |   |
|  | 3.   | Net Profit/(Loss) after tax  | (60,166)  |   |
|  | 4.   | Earnings Per Share after considering scheme withdrawal (₹)   | (2.145)   |   |
|  | 5.   | Total Assets   | 2,116,984   |   |
|  | 6.   | Total Liabilities  | 831,419   |   |
|  | 7.   | Net Worth  | 1,285,565   |   |
| II.  | Audit Qualification (each audit qualification separately): |  |   |   |
|  | a.   | Details of Audit Qualification:<br><br>The Company has during the year taken inter-corporate deposits from certain companies aggregating to ₹ 40,341 lakhs. The related party relationships of such companies with the Company have not been considered by the Company and /or determinable based on the information available. Had these companies been considered to be related parties, the Company would require prior approval/approval of the audit committee for these transactions in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act respectively, which has not been obtained. Also refer to Note 25 to the standalone annual financial results. |   |   |
|  | b.   | Type of Audit Qualification : Qualified Opinion  |   |   |
|  | c.   | Frequency of qualification: first time   |   |   |
|  | d.   | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable   |   |   |
|  | e.   | For Audit Qualification(s) where the impact is not quantified by the auditor:<br><br>(i) Management's estimation on the impact of audit qualification: Not applicable<br><br>(ii) If management is unable to estimate the impact, reasons for the same: With respect to ICDs, where prior approval of Audit committee was not taken, even though management feels they are not the related parties, audit committee's approval has since been received.<br><br>(iii) Auditors' Comments on (i) or (ii) above: The qualification is in the nature of compliance with the provision of Companies Act, 2013 and SEBI regulations and is not quantifiable.   |   |   |

**Independent Auditor's Report**

**To the Members of Reliance Power Limited**

**Report on the Audit of Consolidated Financial Statements**

**Qualified Opinion**

We have audited the consolidated financial statements of Reliance Power Limited (hereinafter referred to as the 'Parent Company') and its subsidiaries (Parent Company and its subsidiaries together referred to as "the Group") and its associates which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, except for the effects/possible effects of the matters described in the Basis for Qualified opinion paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and its associates as at March 31, 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Qualified Opinion**

1. As explained in Note 33 of the consolidated financial statements, regarding method of depreciation adopted by the Parent Company for the purpose of preparing its consolidated financial statements being different from the depreciation method adopted by two of its subsidiaries which is a departure from the requirements of Ind AS 8 Accounting Policies, Changes in accounting estimate and errors, since selection of the method of depreciation is an accounting estimate and depreciation method once selected in the standalone financial statements is not changed while preparing consolidated financial statements in accordance with Ind AS 110 Consolidated Financial Statements. Had the method of depreciation adopted by certain subsidiaries of the Parent Company, been considered for the purpose of preparation of consolidated financial statements of the Parent Company, the loss after tax in the consolidated financial statements would increase by ₹ 50,191 lakhs and other equity and property, plant and equipment would have reduced by ₹ 50,191 lakhs and ₹ 72,952 lakhs respectively.
2. As explained in Note 38 to the consolidated financial statements, the Parent Company has taken inter-corporate deposits from certain companies aggregating to ₹ 40,341 lakhs during the year ended March 31, 2019. The related party relationships of such companies with the Parent Company have not been considered by the Parent Company and /or determinable based on the information available. Had these companies been considered to be related parties, the Parent Company would require prior approval/approval of the audit committee for these transactions in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act respectively, which has not been obtained.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Notes 36, 37 and 39 to the consolidated financial statements in respect of:

- (a) continuing default in repayment of outstanding dues to Lenders and Rajasthan Sun Technique Energy Private Limited's (RSTEPL) (a subsidiary of the Parent Company) ability to repay the future instalments and other obligations through its own cash flows. Further, RSTEPL has incurred a net loss of ₹ 148,518 lakhs during the year ended March 31, 2019 and, as of that date, the current liabilities exceed its current assets by ₹ 137,021 lakhs and RSTEPL is dependent on the financial assistance from the Parent Company, for shortfall of funds in meeting its obligations. These events and conditions cast significant uncertainty on RSTEPL's ability to continue as a going concern. The auditors of RSTEPL have referred this matter in the "Material Uncertainty related to Going Concern" paragraph in their audit report.
- (b) the following matters relating to Samalkot Power Limited (SMPL), (a subsidiary of the Parent Company):
  - i. Setting up of plant in Bangladesh by Reliance Bangladesh LNG and Power Limited (RBLPL), a fellow subsidiary of SMPL, for one module of 745 mega watt, by transfer of assets from SMPL is dependent upon RBLPL's ability to execute the requisite documents /contracts under the stipulated timeline to be able to generate cash flows;
  - ii. Finalisation of customers/alternatives in relation to assets being carried in Capital Work in Progress aggregating ₹ 160,000 lakhs for their disposal; and
  - iii. Notice dated April 02, 2019 by Export-Import Bank of the United States (US Exim) addressed to SMPL and the Parent Company, its sponsor guarantor, demanding repayment of the outstanding loan and ongoing discussions of the management with respect to restructuring of the aforesaid loan.

Pending conclusion of the matters described in (i) and (ii) above, SMPL's ability to continue as a going concern is dependent on the restructuring and deferment of demand for immediate repayment of the loan from US Exim as described in (iii) above and on financial assistance from the Parent Company to meet its obligations. These events and conditions as described above indicate that a material uncertainty exists that may cast a significant doubt on SMPL's ability to continue as a going concern. The auditors of SMPL have referred this matter in the "Material Uncertainty related to Going Concern" paragraph in their audit report.

- (c) the Group incurred a net loss (after impairment of assets) of ₹ 295,182 lakhs during the year ended March 31, 2019 and, as of that date, the Group's current liabilities exceeded its total current assets by ₹ 1,224,917 lakhs.

## Independent Auditor's Report

Further as stated in paragraphs (a) and (b) above in respect of RSTEPL and SMPL and the consequential impact of these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability, particularly in relation to RSTEPL and SMPL, to continue as a going concern. Our opinion is not modified in respect of this matter.

### Emphasis of matter

1. We draw attention to Note 34 (a) to the consolidated financial statements, wherein pursuant to the composite scheme of arrangement between the Parent Company, Reliance Natural Resources Limited, erstwhile Reliance Futura Limited and four wholly owned subsidiaries viz. Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited which has been sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010, the Parent Company is permitted to offset any expense or loss which in the opinion of the Board of Directors are beyond the control of the Parent Company, to be debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve, which overrides the relevant provisions of Ind AS - 1 'Presentation of financial statements'. During the year ended March 31, 2019, the Parent Company has impaired receivables of ₹ 143,037 lakhs which were identified as an exceptional item by the Board of Directors of the Parent Company, in terms of the aforesaid scheme. The said amount has been debited to the Statement of Profit and Loss and an amount of ₹ 101,702 lakhs has been withdrawn from General Reserve. Had such withdrawal not been made, loss before tax for the year ended March 31, 2019 would have been higher by ₹ 101,702 lakhs and General Reserve would have been higher by an equivalent amount.
2. We draw attention to Note 27 to the consolidated financial statements regarding the pending applications made by two subsidiaries of the Parent Company before the National Company Law Tribunal (NCLT) for revision of their standalone financial statements for the year ended March 31, 2018 and the restatement of the comparative consolidated financial statements of the Parent Company for the year ended March 31, 2018 for reasons stated therein.

3. We draw attention to Note 34(b) to the consolidated financial statements with regard to carrying value of capital work in progress amounting to ₹ 160,000 lakhs in respect of SMPL, for which management is in the process of evaluating various alternatives including setting up the plant in Bangladesh through a subsidiary or selling to any third party and for which SMPL has recognized a further impairment provision of ₹ 27,640 lakhs during the year in accordance with Ind AS-36 'Impairment of Assets' based on an independent valuation report. The determination of the fair value in the aforesaid valuation report involved significant judgements including time that may be involved to identify customers, negotiations discount etc. The opinion of SMPL's auditors is not modified in respect of this matter.
4. We draw attention to Note 34 (b) to the consolidated financial statements which describes the impairment assessment performed by RSTEPL in accordance with Ind AS 36 "Impairment of Assets" to arrive at value in use of its Property Plant and Equipment (PPE) amounting to ₹ 119,061 lakhs (net of provision for impairment amounting to ₹ 141,900 lakhs). The determination of the value in use involves assumptions including generation of power, terminal value and exchange rate and planned improvement measures for generation of electricity which requires significant management judgement. The opinion of RSTEPL's auditors is not modified in respect of this matter.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, Material Uncertainty Related to Going Concern section and Emphasis of matter section of this report, we have determined the matters described below to be the key audit matters to be communicated in our report.

| The key audit matter  | How the matter was addressed in our audit  |
|---|--|
| <b>Loans and advances – evaluation of adequacy of provision for</b>   | <b>loans and advances given</b>  |
| The Parent Company has granted loans and other advances to certain companies. These loans are fair valued and tested for impairment annually. If an impairment exists, the recoverable amounts of the loans are estimated in order to determine the extent of the impairment loss, if any. Determination of whether there exists any impairment in the value of loans is subject to a significant level of judgment.<br><br>There is therefore a risk that the value of loans may be misstated. Refer to Note 3.4(b) and 3.8(e) of the consolidated financial statements. | Our procedures included the following:<br><ul style="list-style-type: none"> <li>• Obtained independent confirmation of balances outstanding from loan recipients and traced the amounts confirmed to the books of account;</li> <li>• Verified whether the requisite approvals were obtained for the loan given and ensured other compliances as required by the applicable regulations.</li> <li>• Perused the audited financial statements of those entities to evaluate whether its net assets, being an approximation of its minimum recoverable amount, were in excess of the amounts due for assessing the repayment capability of the concerned entity;</li> <li>• Verified the adequacy of the provision made by management, where applicable.</li> </ul> |

## Independent Auditor's Report

### Going concern evaluation of Vidarbha Industries Power Limited ('VIPL')

The auditors of Vidarbha Industries Power Limited ('VIPL'), a subsidiary of the Parent Company, have reported going concern assumption as a key audit matter since VIPL has defaulted in repayment of its dues to lenders and delayed in payment of its statutory dues to various authorities. Further, its power plant has also remained unoperational for a period of two and half months during the year. This is a key audit matter as the assessment of going concern is largely based on the assumptions made by the management. Refer to note 40(a) of the consolidated financial statements.

The auditors of VIPL have performed the following procedures as stated in their audit report on VIPLs audited financial statements:

- evaluated the assumptions and judgments made with respect to the future cash flows in order to assess VIPL's ability to meet its current and future payment obligations;
- verified the assumptions used to calculate the future cash flows and the viability of the plant.

### Revenue recognition for VIPL

The accounting policy of the Group for revenue recognition is set out in Note 2.1(q) to the Consolidated Financial Statements. The auditors of VIPL have reported revenue recognition as a key audit matter since revenue for VIPL is recognised not only as per the Maharashtra Electricity Regulatory Commission (MERC) Order and the power purchase agreement but is also recognized based on the principles enumerated by Appellate Tribunal (APTEL).

The auditors of VIPL have performed the following procedures as stated in their audit report on VIPLs audited financial statements:

- Verification of the MERC regulations and Power Purchase Agreement entered into by VIPL with the procurer and relevant orders issued by MERC and APTEL;
- Verification of Orders and their relevant impact on the financial statements as also verification of the assumptions used by management for recognising revenue from sale of energy.
- Verification of the assumptions and calculations prepared by the management to arrive at the figures as per the principles enumerated in the APTEL Order.
- Verification of the petitions filed by VIPL with MERC and verified that revenue claimed in the petitions is on similar principles based on which revenue has been recognised in the financial statements.

### Other Information

The Parent Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Parent Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of

the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management



## Independent Auditor's Report

either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Parent Company and subsidiaries) as well as associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (b) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) The consolidated financial statements include the financial statements of two subsidiaries, which reflect total assets of ₹ 1,487,258 lakhs as at March 31, 2019, total revenues of ₹ 344,089 lakhs and net cash out flows of ₹ 4,255 lakhs for the year ended March 31, 2019. These financial statements have been audited by one of the joint auditors of the Parent Company Pathak H.D. & Associates, Chartered Accountants. In respect of these subsidiaries, financial statements have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it is related to these subsidiaries is based solely on reports of joint auditors of that subsidiary on which one of the joint auditors of the Parent Company have placed reliance.

**Independent Auditor's Report**

- (b) We did not audit the financial statements of 39 subsidiaries, whose financial statements reflect total assets of ₹ 985,249 lakhs as at March 31, 2019, total revenues of ₹ 16,698 lakhs and net cash out flows amounting to ₹ 889 lakhs for the year ended that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 1 lakh for the year ended March 31, 2019, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.
- (b) The financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 185,075 lakhs as at March 31, 2019, total revenues of ₹ 13,184 lakhs and net cash out flows amounting to ₹ 3,168 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- (a) We have sought and, except for the matter described in paragraph 2 of the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the matters described in the Basis for Qualified Opinion section, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, except for the matter described in paragraph 1 of the Basis for Qualified Opinion section, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section of our report.
- (g) The going concern matter described in the Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.
- (h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Parent Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its associates. Refer note 4 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 42 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

## Independent Auditor's Report

- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Parent Company or its subsidiary companies and associate companies incorporated in India during the year ended March 31, 2019;
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended March 31, 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Parent Company, its subsidiary companies and associate companies to its directors is in accordance

with the provisions of Section 197 read with schedule V of the Act. The remuneration paid to any director by the Parent Company, its subsidiary companies and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

### For B S R & Co. LLP

Chartered Accountants  
Firm's Registration No:  
101248W/W-100022

### Bhavesh Dhupelia

Partner  
Membership No: 042070

Place : Mumbai

Date : June 08, 2019

### For Pathak H.D. & Associates

Chartered Accountants  
Firm's Registration No:  
107783W

### Vishal D. Shah

Partner  
Membership No: 119303

Place : Mumbai

Date : June 08, 2019

## Annexure A to the Independent Auditor's Report

### Annexure A to the Independent Auditor's Report on the consolidated financial statements of Reliance Power Limited for the year ended March 31, 2019

#### Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in Paragraph (A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of Reliance Power Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Reliance Power Limited (hereinafter referred to as "the Parent Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its subsidiaries and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and

maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Parent Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal

## Annexure A to the Independent Auditor's Report

control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Parent Company's internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

a) According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Parent Company's internal financial controls with reference to consolidated financial statements as at March 31, 2019 -

- The Parent Company's internal financial controls over identification of related parties in accordance with the requirements of the applicable regulations were not operating effectively. This could potentially result in the Parent Company entering into transactions with related parties without requisite approvals from the Board of Directors and Audit Committee and other compliances as required by the applicable regulations and could also result in non-disclosure of transactions with such related parties in the consolidated financial statements.

b) According to the information and explanations given to us and based on the audit report issued by the auditors of Samalkot Power Limited (SMPL), a subsidiary company, a material weakness has been identified as at March 31, 2019 with respect to the subsidiary's internal financial controls over assessment of amount to be recorded as impairment provision which could potentially result in the subsidiary not recognizing possible impairment losses. The auditors of SMPL have qualified their report on the adequacy and operating effectiveness of internal financial controls over stand alone financial statements of SMPL for the effects of the material weakness identified, as stated above.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, the Parent Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2019, based on the internal control with reference to financial statements criteria established by such companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the internal financial controls with reference to consolidated financial statements were operating effectively as of March 31, 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements, and the material weakness reported in paragraph (a) above has affected our opinion on the consolidated financial statements of the Parent Company and we have issued a qualified opinion on the consolidated financial statements.

### Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 32 subsidiary companies and 3 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

#### For B S R & Co. LLP

Chartered Accountants  
Firm's Registration No:  
101248W/W-100022

#### Bhavesh Dhupelia

Partner  
Membership No: 042070

Place : Mumbai  
Date : June 08, 2019

#### For Pathak H.D. & Associates

Chartered Accountants  
Firm's Registration No:  
107783W

#### Vishal D. Shah

Partner  
Membership No:119303

Place : Mumbai  
Date : June 08, 2019

# Reliance Power Limited

## Consolidated Balance Sheet as at March 31, 2019

| Particulars  | Note No. | ₹ in lakhs           |                                |
|--|----------|----------------------|--------------------------------|
|  |          | As at March 31, 2019 | As at March 31, 2018 Restated# |
| <b>ASSETS</b>  |          |                      |                                |
| <b>Non-current assets</b>  |          |                      |                                |
| Property, plant and equipment  | 3.1      | 35,85,180            | 34,82,696                      |
| Capital work-in-progress   | 3.2      | 4,27,638             | 6,91,283                       |
| Goodwill on consolidation  |          | 1,411                | 1,411                          |
| Other Intangible assets  | 3.3      | 3,704                | 3,947                          |
| Financial assets   |          |                      |                                |
| Investments  | 3.4(a)   | 23                   | 23                             |
| Loans  | 3.4(b)   | 40,870               | 38,135                         |
| Finance lease receivables  | 3.4(c)   | 8,00,847             | 8,32,143                       |
| Other financial assets   | 3.4(d)   | 1,63,334             | 1,53,493                       |
| Non-current tax assets   | 3.5      | 5,290                | 3,594                          |
| Other non-current assets   | 3.6      | 1,70,459             | 1,98,185                       |
| <b>Total Non-current Assets</b>  |          | <b>51,98,756</b>     | <b>54,04,910</b>               |
| <b>Current assets</b>  |          |                      |                                |
| Inventories  | 3.7      | 1,01,172             | 72,898                         |
| Financial assets   |          |                      |                                |
| Investments  | 3.8(a)   | 22,366               | 27,992                         |
| Trade receivables  | 3.8(b)   | 2,73,811             | 2,47,780                       |
| Cash and cash equivalents  | 3.8(c)   | 2,888                | 58,459                         |
| Bank balances other than cash and cash equivalents                                     | 3.8(d)   | 24,225               | 33,190                         |
| Loans  | 3.8(e)   | 26,837               | 2,62,475                       |
| Finance lease receivables  | 3.8(f)   | 49,123               | 55,905                         |
| Other financial assets   | 3.8(g)   | 78,007               | 27,615                         |
| Other current assets   | 3.9      | 17,499               | 13,426                         |
| <b>Total Current Assets</b>  |          | <b>5,95,928</b>      | <b>7,99,740</b>                |
| Assets classified as held for sale   | 3.10     | 13,156               | 12,744                         |
| <b>Total Assets</b>  |          | <b>58,07,840</b>     | <b>62,17,394</b>               |
| <b>EQUITY AND LIABILITIES</b>  |          |                      |                                |
| <b>Equity</b>  |          |                      |                                |
| Equity share capital   | 3.11     | 2,80,513             | 2,80,513                       |
| Other equity   | 3.12     | 14,57,234            | 18,42,983                      |
| Non-controlling interests  |          | -                    | @                              |
| <b>Total Equity</b>  |          | <b>17,37,747</b>     | <b>21,23,496</b>               |
| <b>Liabilities</b>   |          |                      |                                |
| <b>Non-current liabilities</b>   |          |                      |                                |
| Financial liabilities  |          |                      |                                |
| Borrowings   | 3.13(a)  | 18,09,097            | 24,20,120                      |
| Other financial liabilities  | 3.13(b)  | 16,194               | 12,454                         |
| Provisions   | 3.14     | 4,785                | 3,835                          |
| Deferred tax liabilities (net)   | 3.15     | 2,29,814             | 2,33,662                       |
| Other non-current liabilities  | 3.16     | 1,89,358             | 1,95,441                       |
| <b>Total Non-current liabilities</b>   |          | <b>22,49,248</b>     | <b>28,65,512</b>               |
| <b>Current liabilities</b>   |          |                      |                                |
| Financial liabilities  |          |                      |                                |
| Borrowings   | 3.17(a)  | 8,93,895             | 3,82,214                       |
| Trade payables   | 3.17(b)  |                      |                                |
| Total Outstanding dues of micro enterprises and small enterprises                      |          | 176                  | -                              |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises |          | 42,568               | 36,071                         |
| Other financial liabilities  | 3.17(c1) | 8,01,188             | 7,70,196                       |
| Other current liabilities  | 3.18     | 58,657               | 20,140                         |
| Provisions   | 3.19     | 557                  | 520                            |
| Current tax liabilities  | 3.20     | 23,804               | 19,244                         |
| <b>Total Current liabilities</b>   |          | <b>18,20,845</b>     | <b>12,28,385</b>               |
| Liabilities classified as held for sale  | 3.17(c2) | -                    | 1                              |
| <b>Total Equity and Liabilities</b>  |          | <b>58,07,840</b>     | <b>62,17,394</b>               |

@ Amount is below the rounding off norm adopted by the Group.

# Refer note 27

Significant accounting policies

Notes to consolidated financial statements

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

For and on behalf of the Board of Directors

**Anil D Ambani**

Chairman

**Sateesh Seth**

**K. Ravikumar**

**D. J. Kakalia**

**Rashna Khan**

Director

**Bhavesh Dhupelia**

Partner

Membership No: 042070

**Vishal D. Shah**

Partner

Membership No: 119303

**K. Raja Gopal**

**Shrenik R Vaishnav**

**Murli Manohar Purohit**

Place : Mumbai

Date : June 08, 2019

Whole-time Director & CEO

Chief Financial Officer

Company Secretary

Place : Mumbai

Date : June 08, 2019

Place : Mumbai

Date : June 08, 2019

## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

| Particulars  | Note No. | Year ended March 31, 2019 | ₹ in lakhs<br>Year ended March 31, 2018<br>Restated* |
|--|----------|---------------------------|--|
| Revenue from operations  | 3.21     | 8,20,131                  | 9,59,273   |
| Other Income   | 3.22(a)  | 33,295                    | 27,828   |
| <b>Total Income</b>  |          | <b>8,53,426</b>           | <b>9,87,101</b>                                      |
| <b>Expenses</b>  |          |                           |  |
| Cost of fuel consumed (including cost of coal excavation)  | 3.23     | 2,85,013                  | 3,98,520   |
| Employee benefits expense  | 3.24     | 18,650                    | 18,652   |
| Finance costs  | 3.25     | 3,20,849                  | 2,92,597   |
| Depreciation and amortization expense  |          | 83,908                    | 75,882   |
| Generation, administration and other expenses  | 3.26(a)  | 1,23,505                  | 1,03,505   |
| <b>Total expenses</b>  |          | <b>8,31,925</b>           | <b>8,89,156</b>                                      |
| <b>Profit before exceptional items and tax</b>   |          | <b>21,501</b>             | <b>97,945</b>  |
| <b>Exceptional Items</b>   | 34       |                           |  |
| Advances written off / impairment of CWIP  |          | (4,17,019)                | -  |
| Less : Amount withdrawn from general reserve   |          | 1,01,702                  | -  |
|  |          | <b>(3,15,317)</b>         | <b>-</b>   |
| <b>Profit / (loss) before tax</b>  |          | <b>(2,93,816)</b>         | <b>97,945</b>  |
| <b>Income tax expense</b>  |          |                           |  |
| Current tax  |          | 5,450                     | 20,207   |
| Deferred tax   | 19(d)    | (3,848)                   | (5,668)  |
| Income tax for earlier years   |          | 173                       | (164)  |
| Total tax expenses   |          | 1,775                     | 14,375   |
| <b>Profit / (loss) from Continuing Operations</b>  |          | <b>(2,95,591)</b>         | <b>83,570</b>  |
| <b>Discontinued Operations:</b>  | 41       |                           |  |
| Profit before tax from Discontinued Operations   |          | 412                       | 480  |
| Tax Expense of Discontinued Operations   |          | 3                         | 5  |
| <b>Profit from Discontinued Operations</b>   |          | <b>409</b>                | <b>475</b>   |
| <b>Profit / (loss) for the year</b>  |          | <b>(2,95,182)</b>         | <b>84,045</b>  |
| <b>Other Comprehensive Income</b>  |          |                           |  |
| <b>Items that will not be reclassified to profit or loss</b>   |          |                           |  |
| (a) Remeasurements of post-employment benefit obligation (net) (Refer note 14)                               |          | (51)                      | (20)   |
| (b) Currency translation Gains   |          | 11,998                    | 683  |
| (c) Gains from investments in equity instruments designated at fair value through Other Comprehensive Income |          | 15                        | -  |
| <b>Other Comprehensive Income for the year</b>   |          | <b>11,962</b>             | <b>663</b>   |
| <b>Total Comprehensive Income/ (Expense) for the year</b>  |          | <b>(2,83,220)</b>         | <b>84,709</b>  |
| <b>Profit / (Loss) attributable to:</b>  |          |                           |  |
| (a) Owners of the parent   |          | (2,95,182)                | 84,045   |
| (b) Non-controlling interest   |          | -                         | -  |
|  |          | <b>(2,95,182)</b>         | <b>84,045</b>  |
| <b>Other Comprehensive Income attributable to:</b>   |          |                           |  |
| (a) Owners of the parent   |          | 11,962                    | 663  |
| (b) Non-controlling interest   |          | -                         | -  |
|  |          | <b>11,962</b>             | <b>663</b>   |
| <b>Total Comprehensive Income / (Expense) attributable to:</b>   |          |                           |  |
| (a) Owners of the parent   |          | (2,83,220)                | 84,709   |
| (b) Non-controlling interest   |          | -                         | -  |
|  |          | <b>(2,83,220)</b>         | <b>84,709</b>  |
| <b>Earnings per equity share: (Face value of ₹ 10 each)</b>  |          |                           |  |
| <b>for continuing Operations</b>   | 17       |                           |  |
| Basic and Diluted (₹) - for continuing operations (before effect of withdrawal from scheme)                  |          | (14.163)                  | 2.979  |
| Basic and Diluted (₹) - for continuing operations (after effect of withdrawal from scheme)                   |          | (10.538)                  | 2.979  |
| <b>for Discontinuing Operations (Basic and Diluted) (₹)</b>  |          | <b>0.015</b>              | <b>0.017</b>   |
| <b>for Discontinuing and Continuing Operations (Basic and Diluted)</b>                                       |          |                           |  |
| Before effect of withdrawal from scheme (₹)  |          | (14.149)                  | 2.996  |
| After effect of withdrawal from scheme (₹)   |          | (10.523)                  | 2.996  |

\* Refer note 27  
Significant accounting policies  
Notes to consolidated financial statements  
The accompanying notes are an integral part of these Consolidated Financial Statements

2  
3 to 45

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants  
Firm Registration No: 101248W/W-100022

**For Pathak H.D. & Associates**

Chartered Accountants  
Firm Registration No: 107783W

**Bhavesdh Dhupelia**

Partner  
Membership No: 042070

Place : Mumbai  
Date : June 08, 2019

**Vishal D. Shah**

Partner  
Membership No: 119303

Place : Mumbai  
Date : June 08, 2019

For and on behalf of the Board of Directors

**Anil D Ambani**

Chairman

**Sateesh Seth**
**K. Ravikumar**
**D. J. Kakalia**
**Rashna Khan**

} Director

**K. Raja Gopal**
**Shrenik R Vaishnav**
**Murli Manohar Purohit**

Place : Mumbai

Date : June 08, 2019

Whole-time Director & CEO  
Chief Financial Officer  
Company Secretary



# Consolidated Statement of changes in equity as at March 31, 2019

## A. Equity Share Capital (Refer note 3.11)

|                                     | ₹ in lakhs      |
|-------------------------------------|-----------------|
| Balance as at April 01, 2017        | 2,80,513        |
| Changes in equity share capital     | -               |
| Balance as at March 31, 2018        | 2,80,513        |
| Changes in equity share capital     | -               |
| <b>Balance as at March 31, 2019</b> | <b>2,80,513</b> |

## B. Other Equity (Refer note 3.12) (Restated)<sup>#</sup>

| Particulars  | Reserve and Surplus |                   |                 |                              | Other reserves  |                              |                                      |                                    |   | Total     |
|--|---------------------|-------------------|-----------------|------------------------------|---|------------------------------|--------------------------------------|------------------------------------|---|-----------|
|  | Securities Premium  | Retained Earnings | General Reserve | Debenture redemption reserve | Foreign currency monetary item translation difference account | Treasury Shares (ESOS Trust) | Foreign currency translation reserve | Capital Reserve (on consolidation) | General Reserve (Arisen pursuant to composite schemes of arrangement) |           |
| Balance as at March 31, 2017                               | 8,35,454            | 7,13,066          | 97,807          | 5,045                        | (12,758)  | (4,130)                      | 6,023                                | 8,337                              | 1,02,156  | 17,51,000 |
| Profit for the year  | -                   | 84,045            | -               | -                            | -   | -                            | -                                    | -                                  | -   | 84,045    |
| Other Comprehensive Income for the year                    | -                   | (20)              | -               | -                            | -   | -                            | -                                    | -                                  | -   | (20)      |
| Remeasurements of post-employment benefit obligation (net) | -                   | -                 | -               | -                            | -   | -                            | -                                    | -                                  | -   | -         |
| Total Comprehensive Income for the year                    | -                   | 84,025            | -               | -                            | -   | -                            | -                                    | -                                  | -   | 84,025    |
| Transfer from Debenture redemption reserve                 | -                   | 14,000            | -               | (14,000)                     | -   | -                            | -                                    | -                                  | -   | -         |
| Transfer to Debenture redemption reserve                   | -                   | (13,638)          | -               | 13,638                       | -   | -                            | -                                    | -                                  | -   | -         |
| Addition during the year                                   | -                   | -                 | -               | -                            | (279)   | -                            | 683                                  | -                                  | -   | 404       |
| Amortisation during the year                               | -                   | -                 | -               | -                            | 4,269   | -                            | -                                    | -                                  | -   | 4,269     |
| Sale of Treasury shares                                    | -                   | -                 | -               | -                            | -   | 3,285                        | -                                    | -                                  | -   | 3,285     |
| Balance as at March 31, 2018                               | 8,35,454            | 7,97,453          | 97,807          | 4,683                        | (8,768)   | (845)                        | 6,706                                | 8,337                              | 1,02,156  | 18,42,983 |

<sup>#</sup> Refer note 27



₹ in lakhs

| Particulars  | Reserve and Surplus |                   |                 | Other reserves               |   |                              |                                      | Total        |                                    |
|--|---------------------|-------------------|-----------------|------------------------------|---|------------------------------|--------------------------------------|--------------|------------------------------------|
|  | Securities Premium  | Retained Earnings | General Reserve | Debenture redemption reserve | Foreign currency monetary item translation difference account | Treasury Shares (ESOS Trust) | Foreign currency translation reserve |              | Capital Reserve (on consolidation) |
| Profit/ (loss) for the year                                | -                   | (2,95,182)        | -               | -                            | -   | -                            | -                                    | -            | (2,95,182)                         |
| Other Comprehensive Income for the year                    |                     |                   |                 |                              |   |                              |                                      |              |                                    |
| Remeasurements of post-employment benefit obligation (net) | -                   | (51)              | -               | -                            | -   | -                            | -                                    | -            | (51)                               |
| <b>Total Comprehensive Income for the year</b>             | <b>-</b>            | <b>(2,95,233)</b> | <b>-</b>        | <b>-</b>                     | <b>-</b>  | <b>-</b>                     | <b>-</b>                             | <b>-</b>     | <b>(2,95,233)</b>                  |
| Addition during the year                                   | -                   | -                 | -               | -                            | (7,738)   | -                            | 11,998                               | -            | 4,260                              |
| Amortisation during the year                               | -                   | -                 | -               | -                            | 6,926   | -                            | -                                    | -            | 6,926                              |
| Withdrawal from general reserve                            |                     |                   |                 |                              |   |                              |                                      |              | (1,01,702)                         |
| <b>Balance as at March 31, 2019</b>                        | <b>8,35,454</b>     | <b>5,02,220</b>   | <b>97,807</b>   | <b>4,683</b>                 | <b>(9,580)</b>  | <b>(845)</b>                 | <b>18,704</b>                        | <b>8,337</b> | <b>14,57,234</b>                   |

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

**Bhavesh Dhupelia**

Partner

Membership No: 042070

Place : Mumbai

Date : June 08, 2019

**Vishal D. Shah**

Partner

Membership No: 119303

Place : Mumbai

Date : June 08, 2019

For and on behalf of the Board of Directors

**Anil D Ambani**

Sateesh Seth

K. Ravikumar

D. J. Kakalia

Rashna Khan

Chairman

Director

**K. Raja Gopal**

Shrenik R Vaishnav

Murti Manohar Purohit

Place : Mumbai

Date : June 08, 2019

Whole-time Director & CEO

Chief Financial Officer

Company Secretary

# Reliance Power Limited

## Consolidated Cash Flow Statement for the year ended March 31, 2019

|  |                              | ₹ in lakhs                               |
|--|------------------------------|--|
| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>Restated |
| <b>(A) Cash flow from operating activities</b>   |                              |  |
| Profit/(Loss) before tax   | <b>(2,93,816)</b>            | 97,945                                   |
| Adjusted for:  |                              |  |
| Gain arising on mutual fund investment mandatorily measured at fair value              | <b>(729)</b>                 | (1,682)                                  |
| Depreciation / amortisation  | <b>1,02,537</b>              | 89,468                                   |
| Finance cost including (gain) / loss on derivative                                     | <b>3,20,849</b>              | 2,92,597                                 |
| Profit on sale of current investment (non trade)                                       | <b>(1,266)</b>               | (1,605)                                  |
| Interest income  | <b>(17,797)</b>              | (16,756)                                 |
| Loss on foreign exchange fluctuations (net)  | <b>2,624</b>                 | 4,401                                    |
| Provision written-back   | <b>(14)</b>                  | -  |
| Gain on derviatives  | <b>(1,338)</b>               | -  |
| Government grant   | <b>(5,307)</b>               | (5,307)                                  |
| (Gain)/Loss on sale of fixed assets  | <b>291</b>                   | 747                                      |
| Amount provided/ written off - trade receivable & CWIP                                 | <b>22,527</b>                | -  |
| Amount provided/ written off/ impairment of CWIP                                       | <b>3,15,317</b>              | -  |
| Provision for leave encashment and gratuity  | <b>815</b>                   | 886                                      |
|  | <b>4,44,693</b>              | 4,60,694                                 |
| Change in operating assets and liabilities:  |                              |  |
| (Increase) / decrease in inventories   | <b>(28,274)</b>              | 29,968                                   |
| (Increase) / decrease in trade receivables   | <b>(39,109)</b>              | (48,030)                                 |
| (Increase) / decrease in other financial assets  | <b>(5,220)</b>               | 36,368                                   |
| (Increase) / decrease in other current assets  | <b>(2,559)</b>               | 14,006                                   |
| Increase / (decrease) in other current liability                                       | <b>35,237</b>                | (35,941)                                 |
| Increase / (decrease) in trade payables  | <b>6,659</b>                 | 4,065                                    |
| Increase / (decrease) in other financial liabilities                                   | <b>13,644</b>                | (3,600)                                  |
|  | <b>(19,622)</b>              | (3,164)                                  |
| Taxes paid / refund (net)  | <b>(2,760)</b>               | (21,057)                                 |
| <b>Net cash generated from operating activities</b>                                    | <b>4,22,311</b>              | 4,36,473                                 |
| <b>(B) Cash flow from investing activities</b>   |                              |  |
| Payment for Property, plant and equipments including capital advance                   | <b>(4,860)</b>               | (45,974)                                 |
| Proceeds from sale of Property, plant and equipments (net)                             | <b>583</b>                   | 1,309                                    |
| Interest income on bank and other deposits   | <b>16,731</b>                | 17,213                                   |
| Inter corporate deposits given   | <b>(16,386)</b>              | (48,369)                                 |
| Inter corporate deposits refunded  | -                            | 9,012                                    |
| Sale of investments in ESOS Trust  | -                            | 3,285                                    |
| Sale / (purchase) of investments (net)   | <b>7,636</b>                 | 55,211                                   |
| Fixed deposits / margin money deposits having original maturity more than three months | <b>2,297</b>                 | 43,741                                   |
| <b>Net cash generated from investing activities</b>                                    | <b>6,001</b>                 | 35,428                                   |

## Consolidated Cash Flow Statement for the year ended March 31, 2019

| Particulars   | ₹ in lakhs                   |  |
|---|------------------------------|--|
|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>Restated |
| <b>(C) Cash flow from financing activities</b>                        |                              |  |
| Proceeds from long term borrowings                                    | 1,079                        | 2,07,961                                 |
| Repayment of long term borrowings                                     | (3,16,609)                   | (4,32,619)                               |
| Proceeds from short term borrowings - (net)                           | 24,263                       | 31,351                                   |
| Interest and finance charges  | (2,86,749)                   | (2,99,181)                               |
| Proceeds from issue of commercial paper                               | -                            | 17,750                                   |
| Repayment of commercial paper   | (10,000)                     | (10,750)                                 |
| Inter corporate deposits received (net)                               | 1,24,633                     | 10,399                                   |
| Repayment from issue of Non- convertible Debenture                    | (20,500)                     | (56,000)                                 |
| Proceeds of Non- convertible Debenture                                | -                            | 1,00,000                                 |
| <b>Net cash used in financing activities</b>                          | <b>(4,83,883)</b>            | <b>(4,31,089)</b>                        |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b> | <b>(55,571)</b>              | <b>40,812</b>                            |
| <b>Opening balance of cash and cash equivalents*</b>                  | <b>58,459</b>                | <b>17,647</b>                            |
| <b>Closing balance of cash and cash equivalents*</b>                  | <b>2,888</b>                 | <b>58,459</b>                            |

\* including restricted cash and cash equivalent of ₹ Nil (March 31, 2018: ₹ 43,924 lakhs)

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**Bhavesh Dhupelia**

Partner

Membership No: 042070

Place : Mumbai

Date : June 08, 2019

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

**Vishal D. Shah**

Partner

Membership No: 119303

Place : Mumbai

Date : June 08, 2019

For and on behalf of the Board of Directors

**Anil D Ambani**

Chairman

**Sateesh Seth**

**K. Ravikumar**

**D. J. Kakalia**

**Rashna Khan**

} Director

**K. Raja Gopal**

**Shrenik R Vaishnav**

**Murli Manohar Purohit**

Place : Mumbai

Date : June 08, 2019

Whole-time Director & CEO

Chief Financial Officer

Company Secretary

### 1. General Information

Reliance Power Limited ("the Parent Company" or "the Company") together with all of its subsidiaries ("the Group") and associates is primarily engaged in the business of generation of power. The projects under development include coal, gas, hydro, wind and solar based energy projects. The portfolio of the Group also includes Ultra Mega Power Projects (UMPPs).

The Parent Company is a Public Limited Company and its equity shares are listed on two recognised stock exchanges in India and is incorporated and domiciled in India under the provisions of the Companies Act, 1956. The registered office of the Parent Company is located at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710.

These consolidated financial statements were authorised for issue by the Board of Directors of the Parent Company on June 08, 2019.

### 2. Significant accounting policies, critical accounting estimates and judgements

#### 2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group and associates.

##### (a) Basis of preparation of consolidated financial statements

###### Compliance with Ind AS

The consolidated financial statements of the Group and its associates have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act") to the extent applicable.

###### Functional and presentation currency

The consolidated financial statements are presented in 'Indian Rupees', which is also the Parent Company's functional currency. All amounts are rounded off to the nearest lakhs, unless otherwise stated.

###### Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Assets held for sale – measured at fair value less cost to sell; and
- Defined benefit plans – plan assets that are measured at fair value

###### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

###### Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are the assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Group or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(b) **Principles of consolidation**

I. **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for business combinations by the Parent Company.

The financial statements of the Parent Company and its subsidiaries are consolidated by combining like items of assets, liabilities, income and expenses and cash flows after fully eliminating intra group balances and intra group transactions resulting in unrealized profit or loss in accordance with the Indian Accounting Standard ("Ind AS") 110 "Consolidated Financial Statements" as referred to in the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time. The consolidated financial statements are prepared using uniform Accounting Policies for the like transactions and other events in similar circumstances and are presented in the same manner as far as possible, as the standalone financial statements of the Parent Company.

Share of Non-controlling Interest in net profit or loss of consolidated subsidiaries for the year is identified and adjusted against income of the Group in order to arrive at the net income attributable to the equity shareholders of the Company. Non-controlling interests and net assets of the subsidiaries are identified and presented in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively as a separate item from liabilities and the shareholders' equity.

II. **Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost which includes transaction costs.

III. **Equity method**

Under the equity method of accounting, the investments are initially recognised at cost, which includes transaction costs and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and other comprehensive income (OCI) of the equity accounted investees. Dividends received or receivable from the associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment.

IV. **Changes in ownership interests**

Change in ownership interests for transaction with non-controlling interests that do not result in a loss of control are treated as the transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and Non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to Non-controlling interests and any consideration paid or received is recognised within equity. Gains or losses on disposals of control in subsidiaries to Non-controlling interests are recorded in equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income (OCI) in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### V. The subsidiaries and associates considered in the consolidated financial statements are

| SN | Name of Company   | Principal place of business | Proportionate (%) of shareholding |                |
|----|---|-----------------------------|-----------------------------------|----------------|
|    |   |                             | March 31, 2019                    | March 31, 2018 |
|    | <b>Subsidiaries</b>   |                             |                                   |                |
| 1  | Rosa Power Supply Company Limited (RPSCL)                           | India                       | 100                               | 100            |
| 2  | Sasan Power Limited (SPL)   | India                       | 100                               | 100            |
| 3  | Jharkhand Integrated Power Limited (JIPL) (up to May 16, 2018)      | India                       | -                                 | 100            |
| 4  | Coastal Andhra Power Limited (CAPL)                                 | India                       | 100                               | 100            |
| 5  | Maharashtra Energy Generation Limited (MEGL)                        | India                       | 100                               | 100            |
| 6  | Chitrangi Power Private Limited (CPPL)                              | India                       | 100                               | 100            |
| 7  | Vidarbha Industries Power Limited (VIPL)                            | India                       | 100                               | 100            |
| 8  | Siyom Hydro Power Private Limited (SHPPL)                           | India                       | 100                               | 100            |
| 9  | Tato Hydro Power Private Limited (THPPL)                            | India                       | 100                               | 100            |
| 10 | Kalai Power Private Limited (KPPL)                                  | India                       | 100                               | 100            |
| 11 | Urthing Sobla Hydro Power Private Limited (USHPPL)                  | India                       | 89                                | 89             |
| 12 | Amulin Hydro Power Private Limited (AHPPL)                          | India                       | 100                               | 100            |
| 13 | Emini Hydro Power Private Limited (EHPPL)                           | India                       | 100                               | 100            |
| 14 | Mihundon Hydro Power Private Limited (MHPPL)                        | India                       | 100                               | 100            |
| 15 | Reliance Coal Resources Private Limited (RCRPL)                     | India                       | 100                               | 100            |
| 16 | Reliance CleanGen Limited (RCGL)                                    | India                       | 100                               | 100            |
| 17 | Rajasthan Sun Technique Energy Private Limited (RSTEPL)             | India                       | 100                               | 100            |
| 18 | Coastal Andhra Power Infrastructure Limited (CAPIL)                 | India                       | 100                               | 100            |
| 19 | Reliance Prima Limited (RPrima)                                     | India                       | 100                               | 100            |
| 20 | Atos Trading Private Limited (ATPL)                                 | India                       | 100                               | 100            |
| 21 | Atos Mercantile Private Limited (AMPL)                              | India                       | 100                               | 100            |
| 22 | Reliance Natural Resources Limited (RNRL)                           | India                       | 100                               | 100            |
| 23 | Dhursar Solar Power Private Limited (DSPPL)                         | India                       | 100                               | 100            |
| 24 | Reliance Natural Resources (Singapore) Pte Limited (RNRL-Singapore) | Singapore                   | 100                               | 100            |
| 25 | Purthi Hydro Power Private Limited (PHPPL)                          | India                       | 100                               | 100            |
| 26 | Teling Hydro Power Private Limited (TPPL)                           | India                       | 100                               | 100            |
| 27 | Shangling Hydro Power Private Limited (SPPL)                        | India                       | 100                               | 100            |
| 28 | Lara Sumta Hydro Power Private Limited (LHPPL)                      | India                       | 100                               | 100            |
| 29 | Sumte Kothang Hydro Power Private Limited (SKHPPL)                  | India                       | 100                               | 100            |
| 30 | Reliance Geothermal Power Private Limited (RGTPPL)                  | India                       | 75                                | 75             |
| 31 | Reliance Green Power Private Limited (RGPPL)                        | India                       | 100                               | 100            |
| 32 | Moher Power Limited (formerly known as Bharuch Power Limited) (MPL) | India                       | 100                               | 100            |
| 33 | Samalkot Power Limited (SMPL)                                       | India                       | 100                               | 100            |
| 34 | Reliance Solar Resources Private Limited (RSRPPL)                   | India                       | 100                               | 100            |
| 35 | Reliance Wind Power Private Limited (RWPPL)                         | India                       | 100                               | 100            |
| 36 | Reliance Power Netherlands BV (RPN)                                 | Netherlands                 | 100                               | 100            |
| 37 | PT Heramba Coal Resources (PTH)                                     | Indonesia                   | 100                               | 100            |
| 38 | PT Avaneesh Coal Resources (PTA)                                    | Indonesia                   | 100                               | 100            |
| 39 | PT Brayan Bintang Tiga Energi (BBE)                                 | Indonesia                   | 100                               | 100            |
| 40 | PT Sriwijiya Bintang Tiga Energi (SBE)                              | Indonesia                   | 100                               | 100            |
| 41 | PT Sumukha Coal Services (PTS)                                      | Indonesia                   | 99.6                              | 99.6           |
| 42 | Reliance Bangladesh LNG & Power Limited (RBLPL)                     | Bangladesh                  | 100                               | 100            |
| 43 | Reliance Power Holding FZC, Dubai (RFZC)                            | UAE                         | 100                               | 100            |
| 44 | Reliance Bangladesh LNG Terminals Limited (RBLTL)                   | Bangladesh                  | 100                               | 100            |
| 45 | Reliance Chittagong Power Company Limited (w.e.f. May 13, 2018)     | Bangladesh                  | 100                               | -              |
|    | <b>Associates</b>   |                             |                                   |                |
| 1  | RPL Sun Power Private Limited (RSUNPPL)                             | India                       | 50                                | 50             |
| 2  | RPL Photon Private Limited (RPHOTONPL)                              | India                       | 50                                | 50             |
| 3  | RPL Sun Technique Private Limited (RSUNTPL)                         | India                       | 50                                | 50             |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(c) **Recent accounting pronouncements****New standards or interpretations adopted by the Company**

The Ministry of Corporate Affairs (the MCA), Government of India (GoI) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which includes Indian Accounting Standard (Ind AS) 115 in respect of 'Revenue from Contracts with Customers' which has replaced inter alia, the existing Ind AS 18 'Revenue' and is mandatory for reporting periods beginning on or after April 01, 2018. The adoption of Ind AS 115 did not have any material impact on the Company's financial statements.

Refer note 2.1(q) for the accounting policy.

**Standards issued but not yet effective****Ind AS 116 Leases:**

On March 30, 2019, the MCA has notified Ind AS 116, Leases. Ind AS 116 will replace the existing Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carried forward the lessor accounting requirements of Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Parent Company is currently evaluating the effect of this amendment on the consolidated financial statements.

**Ind AS 12 – "Income Taxes", Appendix C – Uncertainty over Income Tax Treatments:**

On March 30, 2019, the MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. It permits two possible methods of transition-

- (i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- (ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 without adjusting comparatives.

The Parent Company is currently evaluating the effect of this amendment on the consolidated financial statements.

**Amendment to Ind AS 12 Income taxes:**

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Parent Company is currently evaluating the effect of this amendment on the consolidated financial statements.

**Amendment to Ind AS 19 "Employee Benefits" – Plan amendment, curtailment or settlement-**

On March 30, 2019, the MCA issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and



## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual periods beginning on or after April 01, 2019. The Parent Company is currently evaluating the effect of this amendment on the consolidated financial statements.

### Ind AS - 23 "Borrowing costs"

The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is the annual periods beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from periods beginning April 01, 2019.

### Ind AS - 28 - Long term Interest in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 financial instruments to long term interest in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

#### (d) Property, plant and equipment (including capital work-in-progress)

- Freehold land is carried at cost. All Items of property, plant and equipment (PPE) are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of PPE comprises of its purchase price, capitalised borrowing costs and adjustment arising for exchange rate variations attributable to the assets (Note 2.1(p)(ii) below), including any cost directly attributable to bringing the assets to their working condition for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under capital work-in-progress.

Spare parts are recognised when they meet the definition of PPE, otherwise, such items are classified as inventory.

Any gain or loss on disposal/ discarding of an item of PPE is recognised in Statement of Profit and Loss.

#### Depreciation methods, estimated useful life and residual value

Depreciation on PPE is provided to the extent of depreciable amount on straight line method (SLM) based on useful life of the following assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

| Particulars            | Estimated useful life |
|------------------------|-----------------------|
| Buildings              | 3 to 60 years         |
| Plant and equipment    | 15 to 40 years        |
| Furniture and fixtures | 10 years              |
| Office equipment       | 5 years               |
| Computers              | 3 years               |

Different useful life has been determined based on internal assessment and independent technical evaluation for the following assets which are not covered above.

| Particulars  | Estimated useful life |
|--|-----------------------|
| Motor vehicles   | 5 years               |
| Coal Mine Heavy Earth Moving and Mining Equipment in SPL | 30 years              |
| Plant and equipment of DSPPL and RSTEPL                  | 25 years              |

Depreciation on additions is calculated pro rata basis from the following month of addition.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier, except leasehold land for coal mining, which is amortised over the period of mining rights. In SPL, freehold land acquired for coal mining is amortised over the period of mining rights, considering the same cannot be put to any other purpose other than mining.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2019**

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of PPE, depreciation is provided as aforesaid over the residual life of the respective assets.

Estimated useful life, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if considered appropriate.

- (ii) Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
- (iii) Construction stores have been valued at weighted average cost.
- (iv) PPE is derecognized when asset is retired or sold.

**(e) Mining properties under Property, plant and equipment (in SPL)**

**(i) Overburden removal costs:**

Removal of overburden and other waste material, referred to as "Stripping Activity", is necessary to extract the coal reserves in case of open pit mining operations. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

The overburden removal costs are included in mining properties under the PPE and amortised based on stripping ratio on the quantity of coal excavated. Overburden removal cost includes cost of fuel, power related to the equipments, direct labour, other direct expenditure and appropriate portion of variable and fixed overhead expenditure.

**(ii) Mine closure obligation**

The liability to meet the obligation of mine closure has been measured at the present value of the management's best estimate based on the mine closure plan in the proportion of total area exploited to the total area of the mine as a whole. These costs are updated annually during the life of the mine to reflect the developments in mining activities.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognized as interest expense.

The mine closure obligation cost has been included in mining properties under Property, plant and equipment and amortised over the life of the mine on a unit of production basis.

**(iii) Mine development expenditure**

Expenditure incurred on development of coal mine is grouped under capital work-in-progress till the coal mine is ready for its intended use. Once the mine is ready for its intended use, such mine development expenditure is capitalised and included in mining properties under the PPE. Mine development expenditure is amortised over the life of the mine on a unit of production basis.

**(f) Intangible assets**

- (i) Goodwill on acquisition of the subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
- (ii) 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.
- (iii) Expenditure incurred on acquisition of intangible assets, which are not ready to use at the reporting date is disclosed under "Intangible assets under development".
- (iv) Mining right represents directly attributable cost (other than the land cost) incurred for obtaining the mining rights for a period of 30 years.
- (v) Any gain or loss on disposal of an item of intangible asset is recognised in Statement of Profit and Loss.

### Amortisation method and period

Amortisation is charged on a straight-line basis over the estimated useful life. The estimated useful life, residual value and amortisation methods are reviewed periodically at each annual reporting date, with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer software is amortised over an estimated useful life of 3 years. Intangible assets include expenditure incurred for laying pipeline towards additional water supply. As the pipeline is estimated to be used over the life of the project, the cost incurred towards right is amortised over the term of the power purchase agreement.

In SPL, mining rights are amortised on a straight-line basis over the period of 30 years i.e., the period over which SPL has the right to carry out mining activities.

### (g) Operating Lease

In respect of operating lease, lease rent is expensed on SLM basis with reference to the term of lease unless the lease rent is structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Where the lessor effectively retains substantially all risks and benefits of the ownership of the leased assets, lease is classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

### (h) Impairment of non-financial assets

Goodwill and intangible assets that have indefinite useful life are tested annually for impairment or more frequently, if events or changes in circumstances indicate that they may be impaired. Other assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverable value is higher of net selling price and value in use. An impairment loss is recognised when carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Impairment loss recognised in prior accounting period is increased / reversed (for the assets other than Goodwill) where there is change in the estimate of recoverable value. Such a reversal is made only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss has been recognized.

### (i) Inventories

Inventories of tools, stores, spare parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non-refundable duties and charges incurred in bringing the goods to their present location and condition or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

In case of coal stock, the measured stock is based on a verification process adopted and the variation between measured stock and book stock is charged to Statement of Profit and Loss.

### (j) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

### (k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Financial instrument also includes derivative contracts such as foreign currency foreign exchange forward contracts.

### Investment and Other Financial Assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those measured at amortised cost.

The classification depends on the business model of the Group for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(ii) **Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, cumulative gain or loss previously recognised in OCI is reclassified from other equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as FVTPL. However, such election is allowed only if, doing so reduces or eliminates measurement or recognition inconsistency (referred to as 'the accounting mismatch').

(iii) **Impairment of Financial Assets**

The Group and its associates assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group and its associates measure the expected credit loss associated with its trade receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) **Derecognition of Financial Assets**

A financial asset is derecognised only when the Group:

- has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) **Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend**

Dividends are recognised in statement of profit or loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(vi) **Offsetting Financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(vii) **Derivative Financial Instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Further gain / (losses) arising on settlement and fair value change therein are generally recognised in the Statement of Profit and Loss.

(l) **Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(m) **Financial liabilities**

(i) **Classification as debt or equity**

Debt and equity instruments issued by the Group are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(ii) **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings including bank overdrafts, and derivative financial instruments.

(iii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Borrowings**

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss / capital work-in-progress over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2019**

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

**Trade and other payables**

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from the suppliers. Those payable are classified as the current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

(iv) **Derecognition**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(n) **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are the assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(o) **Provisions, Contingent Liabilities and Contingent Assets**

**Provision**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase of the provision due to the passage of time is recognised as interest expense.

**Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from the 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 Group. A present obligation that arises from past events but it is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**Contingent Assets**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

(p) **Foreign currency transaction**

(i) **Functional and presentation currency**

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates are presented in Indian Rupees which is also the Parent Company's functional currency. The functional currency for all the entities in the Group is Indian Rupees except the following subsidiaries:-

|     |  |          |
|-----|--|----------|
| (a) | Reliance Natural Resources (Singapore) Pte Limited | - USD    |
| (b) | Reliance Power Netherland BV                       | - USD    |
| (c) | Reliance Power Holding FZC                         | - AED    |
| (d) | Reliance Bangladesh LNG & Power Limited            | - BDT    |
| (e) | Reliance Bangladesh LNG Terminal Limited           | - BDT    |
| (f) | Reliance Chittagong Power Company Limited          | - BDT    |
| (g) | PT Heramba Coal Resources                          | - USD    |
| (h) | PT Avaneesh Coal Resources                         | - USD    |
| (i) | PT Sumukha Coal Services                           | - USD    |
| (j) | PT Brayan Bintang Tiga Energi                      | - Rupiah |
| (k) | PT Sriwijaya Bintang Tiga Energi                   | - Rupiah |

In case of all foreign companies translation of financial statements to the presentation currency is done for assets and liabilities using the exchange rate in effect at the balance sheet date, and for revenue, expenses and cash flow items using the average exchange rate for the reported period. Gain/ (loss) resulting from such transactions are included in foreign currency translation reserve under other component of equity.

(ii) **Transaction and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions.

All exchange differences arising on restatement/ settlement of short-term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

In respect of foreign exchange differences arising on revaluation or settlement of long-term foreign currency monetary items, the Group has availed the option available in the Ind AS-101 to continue the policy adopted in the previous GAAP for accounting of exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, 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 an 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.

(iii) **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.**

(q) **Revenue from Contracts with Customers and Other Income**

The Group has adopted Ind AS 115 using cumulative effect method with effect of initially applying this standard recognized at the date of initial application (i.e. April 01, 2018). Accordingly, the information presented as on and for the year ended March 31, 2018 has not been restated. Further, disclosure requirements under Ind AS 115 have not been applied to comparative information. Refer note 3.21 Revenue from operations for the revenue recognition as per Ind AS 18.

The Group recognises revenue when the amount of revenue can be reliably measured at fair value of consideration received or receivable, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate on historical results, taking into consideration the type of transactions and specifics of each arrangement.

- (i) In RPSCL, revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of Power Purchase Agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL). In case where final tariff rates are yet to be approved / agreed, provisional tariff is adopted based on provisional tariff order issued by UPERC. Further, the revenue is also recognised towards truing up of fixed charges as per the petitions filed based on the principles enunciated in the PPA and UPERC (Terms & Condition of Generation Tariff) Regulations, 2014.



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

In VIPL, revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved by MERC in accordance with the provisions of PPA with Adani Electricity Mumbai Limited with effect from August 29, 2018, which was earlier with Reliance Infrastructure Limited (RInfra). Further, revenue is also recognised towards truing up of fixed charges and fuel adjustment charges as per the terms of PPA read with Maharashtra Electricity Regulatory Commission (MERC) (Multi Year Tariff) Regulations.

Revenue from sale of energy referred to above includes fixed charges considered as minimum lease payments in accordance with Appendix "C" to Ind AS 17 'Determining whether an arrangement contains a lease', which is apportioned between finance income and reduction of finance lease receivables and finance Income is disclosed as "Income on assets given on finance lease" under "Other Operating Income" (Refer Note 3.21) . Revenue towards truing up of fixed charges is recognized as operating income in the Statement of Profit and Loss in the year of truing up. In case of difference between the revenue recognized based on provisional tariff order/ petitions filed and final tariff order, minimum lease payments is adjusted to the extent of difference for balance period of the lease to arrive at revised internal rate of return based on which minimum lease payments is apportioned between finance income and reduction of finance lease receivables.

- (ii) In DSPPL, revenue from sale of energy is recognised on an accrual basis as per the tariff rates notified by Central Electricity Regulatory Commission (CERC) in accordance with the provisions of PPA with Adani Electricity Mumbai Limited with effect from August 29, 2018, which was earlier with Reliance Infrastructure Limited (RInfra).
- (iii) In RSTEPL, revenue from sale of energy is recognised on an accrual basis and in accordance with the provisions of PPA with NTPC Vidyut Vyapar Nigam Limited (NVVN) read with CERC regulations.
- (iv) In Parent Company, revenue from sale of energy of wind power project at Vashpet is recognised on an accrual basis in accordance with the provisions of PPA/ sale arrangements with Adani Electricity Mumbai Limited with effect from August 29, 2018, which was earlier with Reliance Infrastructure Limited (RInfra) read with the regulation of MERC. Income on Generation based incentive of wind power project at Vashpet is accounted on an accrual basis considering eligibility of the project for availing the incentive.
- (v) In SPL, revenue from sale of energy is recognized when it is measurable and there is reasonable certainty for collection, in accordance with the tariff provided in the PPA and considering the petitions filed with regulatory authorities for tariff as per the terms of PPA.
- (vi) The surcharge on late payment/ overdue trade receivables for sale of energy is recognised when no significant uncertainty as to measurement and collectability exists.
- (vii) Revenue from certified reduction units is recognised as per the terms and conditions agreed with the trustee on future sale of certified emission reduction units.
- (viii) For income recognition refer note 2.1(k)(v)

(r) **Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post employee obligations**

The Group operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund and superannuation fund

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included as employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined contribution plans

#### Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per the local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Superannuation fund

Certain employees of the Group are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Nippon Life Insurance Company Limited.

### (s) Employee stock option scheme (ESOS)

#### ESOS Scheme

The employees of the Group are entitled for grant of stock option (equity shares), based on the eligibility criteria set in ESOS plan of the Parent Company.

The fair value of options granted under the ESOS plan is recognised as an employee benefits expense with a corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### ESOS Trust

The Parent Company's ESOS Scheme is administered through Reliance Power ESOS Trust ("RPET"). The Group treats the RPET as its extension and shares held by RPET are treated as treasury shares and accordingly, RPET is consolidated in the Parent Company's books.

### (t) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### (u) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2019**

Deferred income tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(v) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

These leases are analysed based on the situations and indicators set out in Ind AS-17 Leases in order to determine whether they constitute operating leases or finance leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of a finance lease are classified as operating leases.

The following main factors are considered by the Group to assess if a lease transfers substantially all the risks and rewards incidental to ownership: whether

- (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term;
- (ii) the lessee has an option to purchase the asset and if so, the conditions applicable to exercising that option;
- (iii) the lease term is for the major part of the economic life of the asset;
- (iv) the asset is of a highly specialized nature; and
- (v) the present value of minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

**As a lessor (Finance lease)**

Appendix "C" of Ind AS 17 deals with the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease but convey rights to customers/ suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria are identified as either operating leases or finance leases. In the later case, a finance lease receivable is recognized to reflect the financing deemed to be granted by the Group where it is considered as acting as lessor and its customers as lessees.

The Group has concluded the finance lease mainly with respect to PPA, particularly where the contract conveys to the purchaser of the energy an exclusive right to use generated energy.

In case of finance leases, where assets are leased out under a finance lease, the amount recognized under finance lease receivables is an amount equal to the net investment in the lease.

Minimum lease payment made under finance lease is apportioned between the finance income and the reduction of the outstanding receivables. The finance income is allocated to each period during the lease terms so as to produce a constant periodic rate of interest on the remaining balance of the lease receivable.

**(w) Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from date of acquisition that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

**(x) Earnings per share**

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item and the effects under the scheme approved by the Hon'ble High Court. Basic earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

outstanding during the financial year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(y) **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 Group are segregated based on the available information.

(z) **Segment Reporting**

The Operating segments have been identified and reported taking into account its internal financial reporting, performance evaluation and organizational structure of its operations, operating segment is reported in the manner evaluated by the Board considered as the Chief Operating Decision-Maker under Ind AS 108 "Operating Segment".

(aa) **Accounting for oil and gas activity**

The Group follows the "Successful Efforts Method" of accounting for its oil and natural gas exploration and production activities read with the Guidance Note published by Institute of Chartered Accountants of India (the ICAI) in December, 2016.

The cost of survey and prospecting activities conducted in search of oil and gas are expensed out in the year in which the same are incurred. Accordingly, assets and liabilities are accounted on the basis of statement of accounts of Joint operations on line by line basis according to the participating interest of the Group.

(bb) **Government grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and are presented within other income.

In case of RPSCL, the benefit of interest free government loan in the form of deferred payments of value added tax and entry tax is treated as the Government grant. The deferred payment liabilities are recognised and measured in accordance with Ind AS 109, "Financial Instruments" where the benefit of the below market rate of interest shall be measured as the difference between the initial carrying value determined in accordance with Ind AS 109, and the proceeds received.

In case of SPL, exemption granted by GoI to the UMPPs under the Custom Act, 1962 is recognized at their fair value as Government grant. Government grants relating to the purchase of PPE are included in non current liabilities as deferred income and credited to the Statement of Profit and Loss in the proportion in which depreciation expense on those assets is recognised.

(cc) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(dd) **Business combinations**

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- (iii) Adjustments are only made to harmonise accounting policies.
- (iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (v) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.
- (vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- (vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

**2.2 Critical accounting estimates and judgements**

The preparation of the consolidated financial statements under Ind AS requires the management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets, liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities as at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Useful life of Power Plants given on finance lease classified as finance lease receivables**

The Group has independently estimated the useful life and method of depreciation of power plant and coal mine assets considering the total portfolio of power generation assets based on the expected wear and tear, industry trends etc. In actual, the wear and tear can be different. When the useful lives differ from the original estimated useful lives, the Group will adjust the estimated useful life / residual value accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of PPE and finance lease receivables.

**(b) Stripping ratio for coal mining**

Significant estimate is involved in case of open pit mining operations for estimating quantity of overburden and mineable coal reserve which would be extracted over the life of the mine, based on which stripping ratio is determined. This ratio is periodically reviewed and changes, if any, are accounted for prospectively. SPL has considered the stripping ratio based on the coal mine plan approved by the regulator.

**(c) Income taxes**

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. (Refer note 19)

**(d) Deferred tax**

The Group has deferred tax assets and liabilities which are expected to be realised through the Statement of Profit and Loss over the extended periods of time in the future. In calculating the deferred tax items, the Group is required to make certain assumptions and estimates regarding the future tax consequences attributable to differences between the carrying amounts of assets and liabilities as recorded in the financial statements and their tax bases. Assumptions made include the expectation that future operating performance for subsidiaries will be consistent with historical levels of operating results, recoverability periods for tax loss carry forwards will not change, and that existing tax laws and rates will remain unchanged into foreseeable future. (Refer note 19)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

According to management's estimate, MAT credit balances will expire and may not be used to offset taxable income. The Group neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these MAT credit entitlement as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these balances.

**(e) Application of lease accounting**

Significant judgement is required to apply lease accounting rules under Appendix "C" of Ind AS 17 "Determining whether an Arrangement contains a Lease". In assessing the applicability to arrangements entered into by the Group, the management has exercised judgment to evaluate customer's right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix "C".

**Classification of lease**

In case of VIPL and RPSCL, significant judgment has been applied by the Group in determining whether substantially all the significant risks and rewards of ownership of the lease assets are transferred to the other entities.

(f) **Impairment of assets**

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment and the unguaranteed residual value of assets given on lease to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset / residual value is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of PPE is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated efficiency of the plant, fuel availability at economical rates, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

(g) **Fair value measurement and valuation process**

The Group has measured certain assets and liabilities at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement. In estimating the fair value, the management engages third party qualified valuer to perform the valuations.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. (Refer note 21)

(h) **Revenue from contracts with customers and other income**

In case of RPSC and VIPL, sale of energy is recognised on an accrual basis as per the tariff rates approved by respective Electricity Regulatory Authority in accordance with the provisions of the respective PPA. In case where tariff rates are yet to be approved, provisional rates are adopted based on the principles enunciated in the respective PPA and the applicable regulations. Deviation from such estimate on receipt of the final approval could result in significant adjustment to the revenue. Revenue is also recognized towards truing up of fixed charges as per the petitions filed based on the principles enunciated in the PPA and UPERC (Terms & Condition of Generation Tariff) Regulations, 2014 in case of RPSC and truing up of fixed charges and fuel adjustment charges as per the applicable MERC (Multi year tariff) Regulations in case of VIPL. [Refer note 27(ii)]

(i) **Mine closure obligation**

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalized when incurred reflecting the obligations at that time. The provision for decommissioning assets is based on the current estimate of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate.

(j) **Provision**

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

(k) **Estimation of employee benefit obligation**

Please refer note 2.1 (r)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

| 3.1 Property, Plant and Equipment       |                 |                 |               |                   |                   |                      |                |                  |            | ₹ in lakhs       |
|---|-----------------|-----------------|---------------|-------------------|-------------------|----------------------|----------------|------------------|------------|------------------|
| Particulars                             | Freehold land   | Leasehold land  | Buildings     | Plant & equipment | Mining properties | Furniture & fixtures | Motor Vehicles | Office equipment | Computers  | Total            |
| Gross carrying amount                   |                 |                 |               |                   |                   |                      |                |                  |            |                  |
| Balance as at April 01, 2017            | 3,94,181        | 1,74,872        | 70,966        | 29,65,154         | 2,05,905          | 1,940                | 585            | 410              | 275        | 38,14,288        |
| Additions during the year               | 209             | 2,239           | 6,088         | 72,429            | 69,368            | 31                   | 116            | 83               | 77         | 1,50,640         |
| Adjustments (Note 3)                    | (5)             | -               | -             | 1,634             | -                 | -                    | -              | -                | -          | 1,629            |
| Deductions during the year              | -               | -               | -             | 704               | -                 | -                    | 117            | 2                | 47         | 870              |
| Carrying amount as at March 31, 2018    | 3,94,385        | 1,77,111        | 77,054        | 30,38,513         | 2,75,273          | 1,971                | 584            | 491              | 305        | 39,65,687        |
| Additions during the year               | 141             | 1,053           | 744           | 3,37,893          | 76,462            | 11                   | 56             | 269              | 37         | 4,16,666         |
| Adjustments (Note 3)                    | -               | -               | -             | 3,536             | -                 | -                    | -              | -                | -          | 3,536            |
| Deductions during the year              | 859             | -               | -             | 6,506             | -                 | 2                    | 21             | -                | 1          | 7,389            |
| <b>Balance as at March 31, 2019</b>     | <b>3,93,667</b> | <b>1,78,164</b> | <b>77,798</b> | <b>33,73,436</b>  | <b>3,51,735</b>   | <b>1,980</b>         | <b>619</b>     | <b>760</b>       | <b>341</b> | <b>43,78,500</b> |
| Depreciation                            | Freehold land   | Leasehold land  | Buildings     | Plant & equipment | Mining properties | Furniture & fixtures | Motor Vehicles | Office equipment | Computers  | Total            |
| Accumulated depreciation                |                 |                 |               |                   |                   |                      |                |                  |            |                  |
| Balance as at April 01, 2017            | 334             | 9,034           | 7,875         | 1,47,827          | 1,68,847          | 453                  | 214            | 146              | 142        | 3,34,872         |
| Charge for the year                     | 169             | 4,553           | 4,195         | 80,287            | 58,666            | 194                  | 83             | 51               | 39         | 1,48,237         |
| Deductions during the year              | -               | -               | -             | -                 | -                 | -                    | 74             | -                | 44         | 118              |
| Balance as at March 31, 2018            | 503             | 13,587          | 12,070        | 2,28,114          | 2,27,513          | 647                  | 223            | 197              | 137        | 4,82,991         |
| Charge for the year                     | 172             | 4,600           | 3,363         | 93,905            | 66,044            | 188                  | 107            | 56               | 35         | 1,68,470         |
| Deductions during the year              | -               | -               | -             | 19                | -                 | 1                    | 20             | -                | 1          | 41               |
| Impairment of Assets [Refer note 34(b)] | -               | -               | -             | 1,41,900          | -                 | -                    | -              | -                | -          | 1,41,900         |
| <b>Balance as at March 31, 2019</b>     | <b>675</b>      | <b>18,187</b>   | <b>15,433</b> | <b>4,63,900</b>   | <b>2,93,557</b>   | <b>834</b>           | <b>310</b>     | <b>253</b>       | <b>171</b> | <b>7,93,320</b>  |
| Net Block                               |                 |                 |               |                   |                   |                      |                |                  |            |                  |
| Balance as at March 31, 2018            | 3,93,882        | 1,63,524        | 64,984        | 28,10,399         | 47,760            | 1,324                | 361            | 294              | 168        | 34,82,696        |
| <b>Balance as at March 31, 2019</b>     | <b>3,92,992</b> | <b>1,59,977</b> | <b>62,365</b> | <b>29,09,536</b>  | <b>58,178</b>     | <b>1,146</b>         | <b>309</b>     | <b>507</b>       | <b>170</b> | <b>35,85,180</b> |

**Notes:**

- Freehold land as at March 31, 2019 includes ₹ 2,909 lakhs, ₹ 2,209 lakhs, ₹ Nil (March 31, 2018: ₹ 2,909 lakhs, ₹ 2,209 lakhs, ₹ 6 lakhs) capitalised in the books of CAPL, SMPL and JPL respectively, on the basis of advance possession received from authorities. The registration of title deed is pending in favour of the respective Companies.
- Leasehold land has been capitalised in the books of CPPL, on the basis of advance possession received from authorities. The land lease deed is pending for execution in favour of the CPPL.
- Includes adjustments towards capitalisation of exchange difference.
- Mining properties includes expenses incurred towards removal of over burden cost.
- Out of above Property, Plant and Equipment ₹ 2,580,699 lakhs (March 31, 2018 ₹ 2,536,764 lakhs) are pledged as security for loan facilities availed by the Group (Refer note 15 & 3.13)

## Depreciation/ amortisation

| Particulars   | March 31, 2019  | March 31, 2018  |
|---|-----------------|-----------------|
| Statement of Profit and loss                                    |                 |                 |
| Charge to Capital Work-in-Progress                              | 83,908          | 75,882          |
| Amortisation of mining properties                               | 105             | 219             |
| Depreciation included as part of coal excavation expenses       | 17,420          | 12,469          |
| Depreciation included as part of overburden excavation expenses | 1,209           | 1,280           |
|   | 66,071          | 58,666          |
| <b>Total</b>  | <b>1,68,713</b> | <b>1,48,516</b> |

## Reliance Power Limited

### Notes to the Consolidated Financial Statements for the year ended March 31, 2019

#### 3.2 Capital Work-in-Progress

| ₹ in lakhs   |                        |                             |                           |                         |
|--|------------------------|-----------------------------|---------------------------|-------------------------|
| Particulars  | As at<br>April 1, 2018 | Incurred during<br>the year | Capitalised /<br>Adjusted | As at<br>March 31, 2019 |
| <b>A. Assets under Construction</b>                                  | 4,30,952               | 43,733                      | 2,21,472                  | <b>2,53,213</b>         |
| <b>B. Expenditure pending allocation</b>                             |                        |                             |                           |                         |
| <b>(i) Expenses</b>  |                        |                             |                           |                         |
| Interest and Finance Charges <sup>1</sup>                            | 70,074                 | 6,337                       | 58,796                    | <b>17,615</b>           |
| Employee benefit expense   |                        | -                           | -                         | -                       |
| - Salaries and Other Costs   | 10,726                 | 250                         | 4,410                     | <b>6,566</b>            |
| - Contribution to Provident and Other Funds<br>(Refer note 14)       | 163                    | 13                          | 157                       | <b>19</b>               |
| - Gratuity (Refer note 14)   | 90                     | 2                           | 87                        | <b>5</b>                |
| - Leave encashment   | 23                     | -                           | -                         | <b>23</b>               |
| Depreciation / Amortisation  | 1,457                  | 85                          | 1,323                     | <b>219</b>              |
| Exchange loss (net) (Refer note 12)                                  | 1,46,126               | 14,819                      | 35,523                    | <b>1,25,422</b>         |
| Legal and Professional Charges (including<br>shared service charges) | 9,651                  | 60                          | 5,185                     | <b>4,526</b>            |
| Premium paid to regulatory authority/ State<br>Government            | 17,976                 | -                           | -                         | <b>17,976</b>           |
| Impairment   | -                      | -                           | 3,500                     | <b>(3,500)</b>          |
| Other direct and incidental expenditure                              | 29,370                 | 2,569                       | 25,713                    | <b>6,226</b>            |
| <b>Total</b>   | <b>2,85,656</b>        | <b>24,135</b>               | <b>1,34,694</b>           | <b>1,75,097</b>         |
| <b>(ii) Incidental Income during construction</b>                    | 27,021                 | 4,202                       | 28,856                    | <b>2,367</b>            |
| Net expenditure pending allocation (i) - (ii)                        | <b>2,58,635</b>        | <b>19,933</b>               | <b>1,05,838</b>           | <b>1,72,730</b>         |
| <b>C. Construction stores</b>  | 1,695                  | -                           | -                         | <b>1,695</b>            |
| <b>Total (A + B + C)</b>   | <b>6,91,282</b>        | <b>63,666</b>               | <b>3,27,310</b>           | <b>4,27,638</b>         |
| Previous year  | 7,40,295               | 28,679                      | 77,691                    | 6,91,283                |

1 THPPL and SHPPL has paid upfront fees of ₹ 1880 lakhs and ₹ 880 lakhs (March 31, 2018 lakhs: ₹ 1,880 lakhs and ₹ 880 lakhs) respectively shown as capital work-in-progress.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## 3.3 Intangible Assets

₹ in lakhs

| Particulars                         | Computer Software | Mining rights | Water Supply rights | Total        |
|-------------------------------------|-------------------|---------------|---------------------|--------------|
| Gross carrying amount               |                   |               |                     |              |
| Balance as at April 01, 2017        | 545               | 3,129         | 1,265               | 4,939        |
| Additions during the year           | -                 | -             | -                   | -            |
| Deductions during the year          | -                 | -             | -                   | -            |
| Balance as at April 1, 2018         | 545               | 3,129         | 1,265               | 4,939        |
| Additions during the year           | -                 | -             | -                   | -            |
| Deductions during the year          | -                 | -             | -                   | -            |
| <b>Balance as at March 31, 2019</b> | <b>545</b>        | <b>3,129</b>  | <b>1,265</b>        | <b>4,939</b> |

| Amortisation                        | Computer Software | Mining right | Water Supply rights | Total        |
|-------------------------------------|-------------------|--------------|---------------------|--------------|
| Accumulated depreciation            |                   |              |                     |              |
| Balance as at April 01, 2017        | 341               | 222          | 150                 | 713          |
| Charge for the year                 | 93                | 111          | 75                  | 279          |
| Deductions during the year          | -                 | -            | -                   | -            |
| Balance as at April 1, 2018         | 434               | 333          | 225                 | 992          |
| Charge for the year                 | 59                | 111          | 73                  | 243          |
| Deductions during the year          | -                 | -            | -                   | -            |
| <b>Balance as at March 31, 2019</b> | <b>493</b>        | <b>444</b>   | <b>298</b>          | <b>1,235</b> |

## Net Block

|                                     |           |              |            |              |
|-------------------------------------|-----------|--------------|------------|--------------|
| Balance as at March 31, 2018        | 111       | 2,796        | 1,040      | 3,947        |
| <b>Balance as at March 31, 2019</b> | <b>52</b> | <b>2,685</b> | <b>967</b> | <b>3,704</b> |

₹ in lakhs

| Particulars | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |
|-------------|-------------------------|-------------------------------------|
|-------------|-------------------------|-------------------------------------|

## Non- current Financial assets

## 3.4(a) Investments

## In Associates (valued at cost)

|  |   |   |
|--|---|---|
| RPL Sun Power Private Limited : 5,000 equity shares of ₹ 10 each (March 31, 2018: 5,000)     | @ | @ |
| RPL Photon Private Limited : 5,000 equity shares of ₹ 10 each (March 31, 2018: 5,000)        | @ | @ |
| RPL Sun Technique Private Limited : 5,000 equity shares of ₹ 10 each (March 31, 2018: 5,000) | @ | @ |

## Government Bond (Quoted) (Fair value through Profit &amp; Loss)

|  |           |           |
|--|-----------|-----------|
| 14,000 (March 31, 2018: 14,000) 9.33% Government Bond of Rajasthan Government (Face value of ₹ 100 each) | 15        | 15        |
| 7,000 (March 31, 2018: 7,000) 8.22% Government Bond of Tamilnadu Government (Face value of ₹ 100 each)   | 8         | 8         |
|  | <b>23</b> | <b>23</b> |

@ Amount is below the rounding off norms adopted by the Group

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|   |                         | ₹ in lakhs                          |  |
|---|-------------------------|-------------------------------------|--|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |  |
| <b>3.4(b) Loans</b>   |                         |                                     |  |
| (Unsecured, considered good)  |                         |                                     |  |
| Loans to others   | 39,643                  | 36,597                              |  |
| Security deposit  | 1,227                   | 1,538                               |  |
|   | <b>40,870</b>           | <b>38,135</b>                       |  |
| <b>3.4(c) Finance lease receivables</b>   |                         |                                     |  |
| Finance lease receivables (Refer note 13)   | 8,00,847                | 8,32,143                            |  |
|   | <b>8,00,847</b>         | <b>8,32,143</b>                     |  |
| <b>3.4(d) Other financial assets</b>  |                         |                                     |  |
| Term deposits with more than 12 months maturity   | 1,50,445                | 1,41,671                            |  |
| Non-current bank balances (including margin money deposits towards bank guarantee and others)   | 1,178                   | 1,220                               |  |
| Income accrued on deposits / investments  | -                       | 23                                  |  |
| Advance recoverable in cash   | 750                     | 1,021                               |  |
| Derivative assets (net)   | 10,961                  | 9,558                               |  |
|   | <b>1,63,334</b>         | <b>1,53,493</b>                     |  |
| <b>3.5 Non-current tax assets</b>   |                         |                                     |  |
| Non-current tax assets  | 5,290                   | 3,594                               |  |
| Advance income tax [net of provision for tax of ₹ 1,586 lakhs (March 31, 2018 : ₹ 1,586 lakhs)] |                         |                                     |  |
|   | <b>5,290</b>            | <b>3,594</b>                        |  |
| <b>3.6 Other non-current assets</b>   |                         |                                     |  |
| (Unsecured, considered good)  |                         |                                     |  |
| Capital advances (including related party) [Refer note 16 (C)]                                  | 1,45,605                | 1,71,382                            |  |
| Advances recoverable in kind  | 2,042                   | 3,598                               |  |
| Balance with statutory authorities  | 22,812                  | 23,205                              |  |
|   | <b>1,70,459</b>         | <b>1,98,185</b>                     |  |
| <b>3.7 Inventories</b>  |                         |                                     |  |
| Fuel [including material in transit of ₹ 216 lakhs (March 31, 2018; ₹ 589 lakhs)]               | 29,671                  | 8,350                               |  |
| Stores and spares   | 71,501                  | 64,548                              |  |
|   | <b>1,01,172</b>         | <b>72,898</b>                       |  |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|   |                 | ₹ in lakhs              |                                     |
|---|-----------------|-------------------------|-------------------------------------|
| Particulars   |                 | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |
| <b>3.8(a) Current investments (Non-trade)</b>   |                 |                         |                                     |
| <b>Investments in Mutual Funds (Fair value through profit and loss)</b>   |                 |                         |                                     |
| <b>Unquoted</b>   |                 |                         |                                     |
| Indiabulls Ultra Short Term Fund Direct- Growth<br>[Number of units Nil (March 31, 2018: 734,086.429 ) face value of ₹ 1000 each] | -               | 12,687                  |                                     |
| Indiabulls liquid fund - Direct Growth<br>[Number of units 103,205 (March 31, 2018: 103,205) face value of ₹ 1000 each]           | 1,884           | 1,752                   |                                     |
| Reliance Low Duration Fund Direct - Growth<br>[Number of units 344,371 (March 31, 2018: Nil) face value of ₹ 1000 each]           | 9,089           | -                       |                                     |
| Reliance Prime Debt Fund Direct -Growth<br>[Number of units 14,259,285 (March 31,2018: 22,308,593) face value of ₹ 10 each]       | 5,718           | 8,294                   |                                     |
| JM Liquidity Fund Direct - Growth Option<br>[Number of units 1,762,291 (March 31, 2018: 1,762,291) face value of ₹ 10 each]       | 902             | 838                     |                                     |
| SBI Magnum Low Duration Fund Direct- Growth<br>[Number of units 196,315 (March 31, 2018: 196,315) face value of ₹ 1000 each]      | 4,773           | 4,421                   |                                     |
| <b>Total Current Investment</b>   | <b>22,366</b>   | <b>27,992</b>           |                                     |
| Aggregate value of unquoted current investments   | <b>22,366</b>   | <b>27,992</b>           |                                     |
| <b>3.8(b) Trade receivables</b>   |                 |                         |                                     |
| Unsecured and considered good<br>(Includes amount receivable from related parties) [Refer note 16 (C)]                            | 2,73,811        | 2,38,956                |                                     |
| Doubtful (includes receivable from related party)   | 6,686           | 8,824                   |                                     |
|   | <b>2,80,497</b> | <b>2,47,780</b>         |                                     |
| Less: allowance for doubtful debts  | (6,686)         | -                       |                                     |
|   | <b>2,73,811</b> | <b>2,47,780</b>         |                                     |
| <b>3.8(c) Cash and cash equivalents</b>   |                 |                         |                                     |
| Balance with banks:   |                 |                         |                                     |
| in current account  | 2,650           | 39,125                  |                                     |
| in deposit account with original maturity of less than three months   | 238             | 7,970                   |                                     |
| Fixed deposits (including margin money)   | -               | 11,364                  |                                     |
|   | <b>2,888</b>    | <b>58,459</b>           |                                     |

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|   |                         | ₹ in lakhs                          |  |
|---|-------------------------|-------------------------------------|--|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |  |
| <b>3.8(d) Bank balances other than cash and cash equivalents</b>                      |                         |                                     |  |
| Deposits with original maturity of more than three months but less than twelve months | 10,341                  | 7,396                               |  |
| Unclaimed dividend  | 299                     | 300                                 |  |
| Fixed deposits (including margin money deposit)                                       | 13,585                  | 25,494                              |  |
|   | <b>24,225</b>           | <b>33,190</b>                       |  |
| <b>3.8(e) Loans</b>   |                         |                                     |  |
| Inter corporate deposit to related party [Refer note 16(C)]                           |                         |                                     |  |
| Unsecured, considered good  | 21,756                  | 1,59,228                            |  |
| Credit impaired   | 1,43,037                | -                                   |  |
| Less: allowance for doubtful loans  | (1,43,037)              | -                                   |  |
|   | <b>21,756</b>           | <b>1,59,228</b>                     |  |
| Security deposits   | 1,350                   | 1,117                               |  |
| Advance to others   | -                       | 47,559                              |  |
| Inter corporate deposit to others   | 3,713                   | 54,506                              |  |
| Loans/ advances to employees  | 18                      | 65                                  |  |
|   | <b>26,837</b>           | <b>2,62,475</b>                     |  |
| <b>3.8(f) Finance lease receivables</b>   |                         |                                     |  |
| Finance lease receivables (Refer note 13)   | 49,123                  | 55,905                              |  |
|   | <b>49,123</b>           | <b>55,905</b>                       |  |
| <b>3.8(g) Other financial assets</b>  |                         |                                     |  |
| Unbilled revenue  |                         |                                     |  |
| - Unsecured, considered good  | 10,916                  | 7,680                               |  |
| - Doubtful  | 2,448                   | -                                   |  |
| Less: Provision for doubtful unbilled revenue   | (2,448)                 | -                                   |  |
|   | <b>10,916</b>           | <b>7,680</b>                        |  |
| Loans / advances to employees   | 76                      | -                                   |  |
| Advance recoverable in cash   | 31,549                  | 11,080                              |  |
| Derivative assets   | 914                     | 750                                 |  |
| Receivable against Generation based incentive   | 263                     | 210                                 |  |
| Income accrued on deposits / investments  | 708                     | -                                   |  |
| Others receivables (Refer note 6 & 8)   | 33,581                  | 7,895                               |  |
|   | <b>78,007</b>           | <b>27,615</b>                       |  |
| <b>3.9 Other current assets</b>   |                         |                                     |  |
| (Unsecured, considered good)  |                         |                                     |  |
| Advance recoverable in kind   | 9,636                   | 4,670                               |  |
| Advance recoverable towards land (Refer note 9)                                       | 1,900                   | 1,900                               |  |
| Balance with statutory authorities (includes service tax credit and VAT recoverable)  | 353                     | 3,426                               |  |
| Prepaid expenses  | 1,923                   | 3,402                               |  |
| Others  | 3,687                   | 28                                  |  |
|   | <b>17,499</b>           | <b>13,426</b>                       |  |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|   |                         | ₹ in lakhs                          |                      |                             |
|---|-------------------------|-------------------------------------|----------------------|-----------------------------|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |                      |                             |
| <b>3.10 Assets classified as held for sale</b>  |                         |                                     |                      |                             |
| Assets held for sale (Refer note 9, 29 & 41)  | <b>4,763</b>            | 4,763                               |                      |                             |
| Others (Refer note 9, 29 & 41)  | <b>8,393</b>            | 7,981                               |                      |                             |
|   | <b>13,156</b>           | 12,744                              |                      |                             |
| <b>3.11 Share capital</b>   |                         |                                     |                      |                             |
| <b>Authorised share capital</b>   |                         |                                     |                      |                             |
| 11,000,000,000 (March 31, 2018: 11,000,000,000) equity shares of ₹ 10 each  | <b>11,00,000</b>        | 11,00,000                           |                      |                             |
| 5,000,000,000 (March 31, 2018: 5,000,000,000) preference shares of ₹ 10 each  | <b>5,00,000</b>         | 5,00,000                            |                      |                             |
|   | <b>16,00,000</b>        | 16,00,000                           |                      |                             |
| <b>Issued, subscribed and fully paid up capital</b>   |                         |                                     |                      |                             |
| 2,805,126,466 (March 31, 2018: 2,805,126,466) equity shares of ₹ 10 each fully paid up  | <b>2,80,513</b>         | 2,80,513                            |                      |                             |
| <b>3.11.1 Reconciliation of number of equity shares</b>   |                         |                                     |                      |                             |
| Balance at the beginning of the year – 2,805,126,466 (March 31, 2017: 2,805,126,466) equity shares of ₹ 10 each.  | <b>28,051</b>           | 28,051                              |                      |                             |
| Issued during the year  | -                       | -                                   |                      |                             |
| Balance at the end of the year – 2,805,126,466 (March 31, 2018: 2,805,126,466) equity shares of ₹ 10 each.  | <b>28,051</b>           | 28,051                              |                      |                             |
| <b>3.11.2 Terms/ rights attached to equity shares</b>   |                         |                                     |                      |                             |
| The Parent Company has only one class of equity shares having face value of ₹10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive the remaining assets of the Parent Company, after distribution of all preferential amounts. |                         |                                     |                      |                             |
| <b>3.11.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company</b>   |                         |                                     |                      |                             |
| Particulars   | As at March 31, 2019    |                                     | As at March 31, 2018 |                             |
|   | No. of Shares           | Percentage of share holding         | No. of Shares        | Percentage of share holding |
| <b>Equity shares</b>  |                         |                                     |                      |                             |
| Reliance Infrastructure Limited   | <b>92,84,98,193</b>     | <b>33.11</b>                        | 1,21,19,98,193       | 43.22                       |
| Reliance Project Ventures and Management Private Limited (formerly known as AAA Project Ventures Private Limited)   | <b>40,01,14,337</b>     | <b>14.27</b>                        | 53,72,87,901         | 19.16                       |
| Reliance Wind Turbine Installators Industries Private Limited   | <b>24,35,68,019</b>     | <b>8.68</b>                         | 34,75,52,662         | 12.39                       |
|   | <b>1,57,21,80,549</b>   | <b>56.06</b>                        | 2,09,68,38,756       | 74.77                       |
| <b>3.11.4</b> Pursuant to the composite scheme of arrangement with Reliance Natural Resources Limited, the Parent Company has 5,63,678 Global Depository Receipts which are listed on Euro MTF Market of the Luxembourg Stock Exchange since May 17, 2011.  |                         |                                     |                      |                             |

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|   |                         | ₹ in lakhs                          |  |
|---|-------------------------|-------------------------------------|--|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |  |
| <b>3.12 Other equity</b>  |                         |                                     |  |
| <b>Balance at the end of the year</b>   |                         |                                     |  |
| 3.12.1 Capital reserve (on consolidation)   | 8,337                   | 8,337                               |  |
| 3.12.2 Securities premium   | 8,35,454                | 8,35,454                            |  |
| 3.12.3 General reserve  | 97,807                  | 97,807                              |  |
| 3.12.4 General reserve (arisen pursuant to composite schemes of arrangement)        | 454                     | 1,02,156                            |  |
| 3.12.5 Debenture redemption reserve   | 4,683                   | 4,683                               |  |
| 3.12.6 Foreign currency translation reserve   | 18,704                  | 6,706                               |  |
| 3.12.7 Foreign currency monetary item translation difference account                | (9,580)                 | (8,768)                             |  |
| 3.12.8 Treasury Shares (ESOS Trust)   | (845)                   | (845)                               |  |
| 3.12.9 Retained earnings  | 5,02,220                | 7,97,453                            |  |
| <b>Total</b>  | <b>14,57,234</b>        | <b>18,42,983</b>                    |  |
| <b>3.12.1 Capital reserve (on consolidation)</b>                                    | <b>8,337</b>            | <b>8,337</b>                        |  |
| <b>3.12.2 Securities premium</b>  |                         |                                     |  |
| Balance at the beginning and at the end of the year                                 | 8,35,454                | 8,35,454                            |  |
| <b>3.12.3 General reserve</b>   |                         |                                     |  |
| Balance at the beginning of the year  | 97,807                  | 97,807                              |  |
| Balance at the end of the year  | 97,807                  | 97,807                              |  |
| <b>3.12.4 General reserve (arisen pursuant to composite schemes of arrangement)</b> |                         |                                     |  |
| Balance at the beginning of the year  | 1,02,156                | 1,02,156                            |  |
| Less : withdrawal from general reserve [Refer note 34(a)]                           | 1,01,702                | -                                   |  |
| Balance at the end of the year  | 454                     | 1,02,156                            |  |
| <b>3.12.5 Debenture redemption reserve</b>  |                         |                                     |  |
| Balance at the beginning of the year  | 4,683                   | 5,045                               |  |
| Add: Transfer from Retained earnings  | -                       | 13,638                              |  |
| Less: Transfer to Retained earnings   | -                       | (14,000)                            |  |
| Balance at the end of the year  | 4,683                   | 4,683                               |  |
| <b>3.12.6 Foreign currency translation reserve</b>                                  |                         |                                     |  |
| Balance at the beginning of the year  | 6,706                   | 6,023                               |  |
| Add: Addition during the year   | 11,998                  | 683                                 |  |
| Balance at the end of the year  | 18,704                  | 6,706                               |  |
| <b>3.12.7 Foreign currency monetary item translation difference account</b>         |                         |                                     |  |
| Balance at the beginning of the year  | (8,768)                 | (12,758)                            |  |
| Add: Addition during the year   | (7,738)                 | (279)                               |  |
| Less: Amortisation during the year  | 6,926                   | 4,269                               |  |
| Balance at the end of the year  | (9,580)                 | (8,768)                             |  |

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

| Particulars  | ₹ in lakhs              |                                     |
|--|-------------------------|-------------------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |
| <b>3.12.8 Treasury Shares (ESOS Trust)</b>   |                         |                                     |
| Balance at the beginning of the year   | (845)                   | (4,130)                             |
| Less: Sale of Treasury shares  | -                       | 3,285                               |
| Balance at the end of the year   | <u>(845)</u>            | <u>(845)</u>                        |
| <b>3.12.9 Retained earnings</b>  |                         |                                     |
| Balance at the beginning of the year   | 7,97,453                | 7,13,066                            |
| Profit / (loss) for the year   | (2,95,182)              | 84,045                              |
| Add: Remeasurements of post-employment benefit obligation (net)<br>(Refer note 14) | (51)                    | (20)                                |
| Add: Transfer from Debenture redemption reserve                                    | -                       | 14,000                              |
| Less: Transfer to Debenture redemption reserve                                     | -                       | (13,638)                            |
| Balance at the end of the year   | <u>5,02,220</u>         | <u>7,97,453</u>                     |
|  | <u>14,57,234</u>        | <u>18,42,983</u>                    |

**Nature and purpose of other reserves:**

**(a) Capital Reserves (On consolidation)**

The Capital Reserve had arisen on account of acquisition of subsidiaries.

**(b) Securities premium**

Securities premium account is created to record premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

**(c) General reserve**

General reserve is a free reserve created by the Group by transfer from Retained earnings.

**(d) General reserve (arisen pursuant to composite schemes of arrangement)**

The General Reserve had arisen pursuant to the composite scheme of arrangement between the Parent Company, Reliance Natural Resources Limited, erstwhile Reliance Futura Limited and four wholly owned subsidiaries viz. Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited. The said scheme has been sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010. The General Reserve shall be the reserve which arose pursuant to the above scheme and shall not be and shall not for any purpose be considered to be a reserve created by the Parent Company.

**(e) Debenture redemption reserve**

Debenture redemption reserve is required to be created out of profits of the Company for the purpose of redemption of debentures.

**(f) Foreign currency monetary item translation difference account**

The Group has opted to continue the Previous GAAP policy for accounting of foreign exchange differences on long term monetary items. This reserve represents foreign exchange differences accumulated on long term foreign currency monetary items which are for other than depreciable assets. The same is amortized over the balance period of such long term monetary items. [Refer note 2.1(p) (ii)]

**(g) Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is not reclassified to profit or loss when the net investment is disposed-off.

**(h) Treasury Shares**

The Reserve comprises loss on sale of treasury shares. RPET held Nil shares (March 31, 2018: Nil). (Refer note 11)

|  |                         | ₹ in lakhs                          |
|--|-------------------------|-------------------------------------|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |
| <b>3.13(a) Borrowings</b>  |                         |                                     |
| <b>At amortised cost</b>   |                         |                                     |
| <b>Secured</b>   |                         |                                     |
| 5,450 (March 31, 2018: 7,500) Series I (2018) Listed redeemable non convertible debentures of ₹ 1,000,000 each | <b>52,404</b>           | 75,000                              |
| Rupee loans from banks   | <b>9,08,798</b>         | 10,66,524                           |
| Foreign currency loans from banks  | <b>61,865</b>           | 2,75,471                            |
| Rupee loans from financial institutions / other parties  | <b>3,71,656</b>         | 4,28,001                            |
| Foreign currency loans from financial institutions / other parties   | <b>3,89,413</b>         | 5,47,659                            |
| <b>Unsecured</b>   |                         |                                     |
| <b>Deferred payment liabilities:</b>   |                         |                                     |
| Deferred entry tax [Refer note 25 (b)]   | <b>23,217</b>           | 25,622                              |
| Deferred value added tax [Refer note 25 (c)]   | <b>1,744</b>            | 1,843                               |
|  | <b>18,09,097</b>        | 24,20,120                           |

### 3.13(a1) RPSCCL

RPSCCL has obtained Rupee and foreign currency loans from Banks and financial institutions. The Outstanding amount as at year end is ₹ 225,687 lakhs (March 31, 2018 ₹ 299,813 lakhs). The balance disclosed is net of initial borrowing cost aggregating to ₹ 549 lakhs (March 31, 2018 ₹ 1,120 lakhs)

#### Nature of security for Term Loans

- Term loans from banks of ₹ 210,687 lakhs (March 31, 2018: ₹ 262,313 lakhs) are secured by first charge on all the Immovable and movable assets and intangible asset of RPSCCL on pari passu basis.
- Term loans from all banks, financial Institution/other parties of ₹ 15,000 lakhs (March 31, 2018: ₹ 37,500 lakhs) are secured by residual charge on all the movable assets and current assets of RPSCCL on pari passu basis.
- The Parent Company has given financial commitments / guarantee to the lender of RPSCCL.
- A negative lien by Reliance Power Limited (the Parent Company) on 51% of its equity shares in RPSCCL.

#### Terms of Repayment and Interest

- Rupee Term Loans outstanding as at the year end ₹ 108,176 lakhs (March 31, 2018: 137,747 lakhs) have been obtained from Banks for Phase I and Phase II of the project. The loans are repayable in 48 quarterly instalments commencing from October 1, 2010 and January 1, 2012, respectively, and carries an average rate of interest 12.17 % per annum payable on a monthly basis.
- Rupee term loans outstanding as at the year end ₹ 22,503 lakhs (March 31, 2018: 26,594 lakhs) have been obtained from Bank towards making investments in fellow subsidiaries. The loans are repayable in 46 quarterly instalments commencing from June 30, 2013 and carries an interest rate of 12.40 % per annum payable on a monthly basis.
- Rupee term loan outstanding as at the year end ₹ 15,000 lakhs (March 31, 2018: 25,000 lakhs) has been obtained for onlending as subordinate debt / Inter Corporate Deposit / Loans and advances to its holding Company. The loan is repayable in 12 equal quarterly instalments starting from December 2017 and carries an interest rate of 11.30 % per annum payable on a monthly basis.
- Rupee term loan outstanding as at the year end ₹ NIL (March 31, 2018: 12,500 lakhs) has been obtained for meeting cash flow mismatches and for funding financing expenses of the facility.
- Foreign currency loan outstanding as at the year end ₹ 10,087 lakhs (March 31, 2018: 11,518 lakhs) has been obtained for Phase I of the project . The loan is repayable in 48 quarterly instalments commencing from October 1, 2010 and carries an interest rate of USD LIBOR plus 4.60% per annum, payable on a quarterly basis.



**Notes to the Consolidated Financial Statements for the year ended March 31, 2019**

- (vi) Foreign currency loan outstanding as at the year end ₹ 22,841 lakhs (March 31, 2018: 26,085 lakhs) has been obtained for Phase II of the project. The loan is repayable in 48 quarterly instalments commencing from January 1, 2012 and carries an interest rate of USD LIBOR plus margin ranging from 4.15% to 4.75% per annum, payable on a quarterly basis.
- (vii) Foreign currency loan outstanding as at the year end ₹ 47,080 lakhs (March 31, 2018: 60,369 lakhs) has been obtained for Phase II of the project. The loan is repayable in 16 quarterly instalments commencing from February 2018, and carries an interest rate of USD LIBOR plus 4.54% per annum, payable on a quarterly basis.
- (viii) There has been delay in repayment of principal and Interest during the year, however, there were no defaults as at March 31, 2019. ( Refer note 35)

**3.13(a2) SPL**

SPL has obtained Rupee and foreign currency loans from Banks and financial institutions. The Outstanding amount as at year end is ₹ 1,440,913 lakhs (March 31, 2018 ₹ 1,504,963 lakhs). The balance disclosed is net of initial borrowing cost aggregating to ₹ 11,352 lakhs ( March 31, 2018 ₹ 14,029 lakhs)

**Nature of security for term loans**

- (i) Term loans from all banks, financial Institution/other parties of ₹ 1,440,914 lakhs (March 31, 2018: ₹ 1,504,963 lakhs) are secured by first charge on all the Immovable and movable assets and intangible asset of SPL and pledge of 100% of the total issued share capital of SPL held by the Parent Company on pari passu basis with working capital lenders, permitted bank guarantee providers and hedge counterparties.
- (ii) The Parent Company has given financial commitments / guarantees to the lenders of SPL. Charge over 414 Hectare of land yet to be fully acquired and deallocated Chhatrashal Coal mines which is subject to decision of Honourable High Court is pending to be executed.

**Terms of Repayment and Interest**

- (i) Rupee Term Loan outstanding as at the year end of ₹ 599,542 lakhs (March 31, 2018 : 631,250 lakhs) has been obtained from banks for the project. Earlier 50% of the loan was repayable in 40 quarterly instalments and remaining 50% in one single bullet payment at the end of ten years from March 31, 2015 was subsequently restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly instalments commencing from December 31, 2015 and carries an interest rate of 10.95% to 11.55% per annum payable on a monthly basis.
- (ii) Rupee Term Loan outstanding as at the year end of ₹ 103,743 lakhs (March 31, 2018 : ₹ 108,940 lakhs) has been obtained from financial institutions for the project. Earlier 50% of the loan was repayable in 40 quarterly instalments and remaining 50% in one single bullet payment at the end of ten years from March 31, 2015 was subsequently restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly instalments commencing from December 31, 2015 and carries an interest rate of 10.95% to 11.55% per annum payable on a monthly basis.
- (iii) Rupee Term Loan outstanding at the year end of ₹ 270,353 lakhs (March 31, 2018 : ₹ 283,794 lakhs) has been obtained from financial institutions for the project. Earlier the loan was repayable in 60 quarterly instalments starting from March 31, 2015 which has now been restructured under flexible structuring scheme of Reserve Bank of India and the outstanding balance as on October 01, 2015 is repayable in 82 structured quarterly instalments commencing from October 15, 2015 and carries an interest rate of 10.95% to 13.23% per annum payable on a quarterly basis.
- (iv) 50 % of Foreign Currency Loan from financial Institutions/other parties outstanding as at the year end of ₹ 190,032 lakhs (March 31, 2018 : ₹ 193,393 lakhs) is repayable in 40 quarterly instalments commencing from March 31, 2015. Remaining 50% is repayable in one single bullet at the end of ten years from March 31, 2015 and carries an interest rate of USD LIBOR plus 3.20% per annum payable on a monthly basis.
- (v) Foreign currency loan from financial institution / other parties outstanding as at the year end of ₹ 241,199 lakhs (March 31, 2018 : 247,369 lakhs) is repayable in 24 semi-annual instalments commencing from March 20, 2015 and carries fixed interest rate of 3.66% per annum payable on a semi annual basis.
- (vi) Foreign currency loan from financial institution / other parties outstanding as at the year end of ₹ 36,045 lakhs (March 31, 2018 : ₹ 40,217 lakhs) is repayable in 19 semi-annual instalments commencing from March 20, 2015 and carries an interest rate of USD LIBOR plus 4% per annum payable on a semi annual basis.

### 3.13(a3) VIPL

VIPL has obtained secured Rupee and foreign currency loans from Banks and financial institutions. The outstanding amount as at the year end is ₹ 219,866 lakhs (March 31, 2018: ₹ 240,292 lakhs). The balance disclosed is net of borrowing cost aggregating to ₹ 1,217 lakhs ( March 31, 2018 ₹ 1,482 lakhs)

#### Nature of security for term loans

- (i) Rupee loans from banks of ₹ 181,992 lakhs (March 31, 2018: ₹ 188,416 lakhs) are secured by first charge on all the Immovable and movable assets and intangible asset of VIPL on a pari passu basis and pledge of 51% of the equity share capital of VIPL
- (ii) Rupee loans from bank of ₹ NIL (March 31, 2018: ₹ 4,000 lakhs) are secured by a residual charge on all the movable fixed assets and current assets of VIPL.
- (iii) Rupee loans from bank of ₹ 19,346 lakhs (March 31, 2018: ₹ 20,000 lakhs) are secured by first charge on all movable and immovable assets on parri passu basis.
- (iv) Foreign Currency Loans from banks of ₹ 18,528 lakhs (March 31, 2018: ₹ 27,876 lakhs) are secured by first charge on all the Immovable and movable assets of VIPL on pari passu basis and pledge of 51% of the equity share capital of VIPL.
- (v) The Parent Company has given financial commitments / guarantee to the lenders of VIPL.

#### Terms of repayment and interest

- (i) The rupee loans from banks of ₹ 181,992 lakhs (March 31, 2018: ₹ 188,416 lakhs) are repayable in 56 structured quarterly instalments commencing from June 30, 2015 and carries an average interest rate of 12.39% per annum.
- (ii) Foreign currency term loan is repayable in 28 equal quarterly instalments commencing from June 30, 2013 and carries an interest rate of USD three month LIBOR plus 4.60% per annum, payable on a quarterly basis.
- (iii) Rupee loan from bank ₹ NIL (March 31, 2018: ₹ 4,000 lakhs) is repayable in 10 quarterly instalments commencing from June 30, 2016 and carries an interest rate of 10.57 % per annum
- (iv) Rupee loans from banks of ₹ 19,346 lakhs (March 31, 2018: ₹ 20,000 lakhs) are repayable in 48 structured quarterly instalments commencing from June 30, 2018 and carries an interest rate of 10.25 % per annum
- (v) There has been default and delay in repayment of principal and interest on the above borrowings during the year. (Refer note 35)

### 3.13(a4) DSPPL

DSPPL has obtained foreign currency term loan from Export-Import Bank of the United States (US-EXIM) and Asian Development Bank (ADB). The outstanding balance as at the year end is ₹ 44,900 lakhs (March 31, 2018; ₹ 44,311 lakhs). The balance disclosed is net of initial borrowing cost aggregating to ₹ 1,171 lakhs (March 31, 2018: ₹ 1,405 lakhs)

#### Nature of security for Term Loans

- (i) Term loans from financial Institution/ other parties of ₹ 44,900 lakhs (March 31, 2018: ₹ 44,311 lakhs) classified current on March 31, 2019 are secured by first charge on all the Immovable and movable assets and intangible asset of DSPPL on pari passu basis and pledge of 99.99% of the total issued share capital of DSPPL held by the Parent Company.
- (ii) The Parent Company has given financial commitments/ guarantees to the lenders of DSPPL. [Refer note 4]

#### Terms of Repayment and Interest

- (i) The foreign currency loan from financial Institution/ other parties is repayable over a period of sixteen and half years in half-yearly instalments commencing from September 25, 2012 and Interest is payable based on Commercial Interest Reference Rate which is 2.97% per annum. The outstanding balance as on year end is ₹ 27,289 lakhs (March 31, 2018: ₹ 26,923 lakhs)
- (ii) The foreign currency loan from financial Institution/ other parties is repayable over a period of sixteen and half years in half-yearly instalments commencing from September 25, 2012 and interest at the rate of six months USD LIBOR plus 2.5% per annum. The outstanding balance as on year end is ₹ 17,611 lakhs (March 31, 2018: ₹ 17,388 lakhs)

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

**3.13(a5) KPPL**

KPPL has obtained Term Loan from financial institution of ₹ 26,080 lakhs (March 31, 2018: ₹ 25,000 lakhs).

**Nature of security**

- (i) Term loan from financial Institution of ₹ 26,080 lakhs (March 31, 2018: ₹ 25,000 lakhs) is secured by first charge on all the Immovable, movable and current assets of KPPL on pari passu basis

**Terms of repayment and interest**

- (i) Rupee term loan from financial institution outstanding as at the year end ₹ 25,000 lakhs (March 31, 2018: ₹ 25,000 lakhs). The loan is repayable in one single bullet repayment at the end of tenure and carries an average rate of interest 13.50% per annum
- (ii) Rupee term loan from financial institution outstanding as at the year end ₹ 1,080 lakhs (March 31, 2018 : ₹ NIL). The loan is repayable in one single bullet repayment at the end of tenure and carries an average rate of interest 10% per annum
- (iii) KPPL has not been able to comply with the loan covenants during the year in respect of non payment of interest on above term loan amounting to ₹ 272.30 lakhs for the month of March 31, 2019 (March 31, 2018 : ₹ NIL)

**3.13(a6) RNRL**

RNRL has obtained Rupee Loan from Non banking financial institution of ₹ 29,998 lakhs (March 31, 2018: ₹ 29,998 lakhs).

**Nature of security**

- (i) Rupee loan from financial Institution of ₹ 29,998 lakhs (March 31, 2018: ₹ 29,998 lakhs) is secured by way of mortgage of building and pledge of RNRL shares held by Reliance Power Limited.

**Terms of repayment and interest**

- (i) Rupee loan from Non banking financial institution of ₹ 19,999 lakhs (March 31, 2018: ₹ 19,999 lakhs) is repayable in 12 equal quarterly instalments starting from September 30, 2019 and carries an interest rate of 13.37% per annum payable on quarterly basis.
- (ii) Rupee loan from Non banking financial institution of ₹ 9,999 lakhs (March 31, 2018: ₹ 9,999 lakhs) is repayable in 20 equal quarterly instalments starting from September 30, 2019 and carries an interest rate of 13.37% per annum payable on quarterly basis.

**3.13(a7) Parent Company**

The Parent Company has obtained Rupee and foreign currency term loans. The outstanding amount as at the year end is ₹ 153,690 lakhs (March 31, 2018: ₹ 260,302 lakhs). The balance disclosed is net of borrowing cost aggregating to ₹ 3,033 lakhs (March 31, 2018: ₹ 1,922 lakhs)

**Nature of security for term loans**

- (i) Series I (2018) 13.39% listed redeemable non convertible debentures of ₹ 54,500 lakhs (March 31, 2018 ₹ 75,000 lakhs) are secured by first pari-passu charge over long term loans and advances of the Company.
- (ii) Rupee loans from banks of ₹ 32,400 lakhs (March 31, 2018: ₹ 34,380 lakhs) are secured by first charge over long term loans and advances of the Company on pari passu basis.
- (iii) Rupee loans from banks of ₹ 2,297 lakhs (March 31, 2018: ₹ 2,383 lakhs) and foreign currency loan of ₹ 9,098 lakhs (March 31, 2018: ₹ 9,619 lakhs) are secured by first charge on all the immovable and movable assets of the 45 MW wind power project at Vashpet on pari passu basis.
- (iv) Rupee loans from banks of ₹ 11,250 lakhs (March 31, 2018: ₹ 15,000 lakhs) are secured by first pari passu charge over current assets of the Company including receivable excluding the assets acquired under scheme of amalgamation with erstwhile Reliance Clean Power Private Limited.
- (v) Rupee loans from banks of ₹ 9,000 lakhs (March 31, 2018: ₹ 13,500 lakhs) are secured by the residual charge over current assets of the Company including receivable excluding the assets acquired under scheme of amalgamation with erstwhile Reliance Clean Power Private Limited. It is also secured by pledge of share of the Company held by RInfra.
- (vi) Rupee loans from banks of ₹ 11,970 lakhs (March 31, 2018: ₹ 12,157 lakhs) are secured by first charge on all the immovable and movable assets and receivables of the 45 MW wind power project at Vashpet on pari passu basis.
- (vii) Rupee loans from banks of ₹ 6,300 lakhs (March 31, 2018: ₹ 10,500 lakhs) are secured by the first pari passu charge over long term loans and advances including receivables accrued out of such long term loans and advances of the Company.
- (viii) Rupee loans from banks of ₹ NIL (March 31, 2018: ₹ 21,560 lakhs) are secured by the first pari passu charge over long term loans and advances of the Company.
- (ix) Rupee loans from banks of ₹ 16,875 lakhs (March 31, 2018: ₹ 68,125 lakhs) are secured by the first pari passu charge over long term loans and advances of the Company.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### Terms of repayment of loans and rate of interest

- (i) Series I (2018) 13.39% listed redeemable non convertible debentures of ₹ 54,500 lakhs are repayable in 8 half yearly instalments starting from September 30, 2021 and carries floating interest rate payable on half yearly basis.
- (ii) Rupee loans from banks of ₹ 32,400 lakhs (March 31, 2018: ₹ 34,380 lakhs) are repayable in 10 structured quarterly instalments commencing from October 31, 2017 and carries an interest rate of 10.80% per annum payable on a monthly basis.
- (iii) Rupee term loans are repayable in 59 quarterly instalments commencing from March 2015 and carries an interest rate of 11.75% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 2,297 lakhs (March 31, 2018: ₹ 2,383 lakhs).
- (iv) Foreign currency loans are repayable in 42 quarterly instalments commencing from September 2013 and carries an interest rate of USD six month LIBOR plus 4.5% per annum payable on a half yearly basis. The outstanding balance as at year end is ₹ 9,098 lakhs (March 31, 2018: ₹ 9,619 lakhs).
- (v) Rupee term loans from bank are repayable in 16 quarterly instalments commencing from June 2017 and carries an interest rate of 12.80% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 11,250 lakhs (March 31, 2018: ₹ 15,000 lakhs).
- (vi) Rupee term loans from bank are repayable in 40 monthly instalments commencing from March 2017 and carries an interest rate of 10.85% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 9,000 lakhs (March 31, 2018: ₹ 13,500 lakhs).
- (vii) Rupee term loans from bank are repayable in 53 structured quarterly instalments commencing from September 2016 and carries an interest rate of 12.50% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 11,970 lakhs (March 31, 2018: ₹ 12,157 lakhs).
- (viii) Rupee term loans from bank are repayable in 12 quarterly instalments commencing from December 2019 and carries an interest rate of 10.72% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 6,300 lakhs (March 31, 2018: ₹ 10,500 lakhs).
- (ix) Rupee term loans from bank are repayable in 16 structured monthly instalments commencing from July 2017 and carries an interest rate of 10.5% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ NIL (March 31, 2018: ₹ 21,560 lakhs).
- (x) Rupee term loans from bank are repayable in 11 structured quarterly instalments commencing from July 2017 and carries an interest rate of 10.8% per annum payable on a monthly basis. The outstanding balance as at year end is ₹ 16,875 lakhs (March 31, 2018: ₹ 68,125 lakhs).

**3.13(a8)** Current maturities of long term borrowings have been classified as other current financial liabilities.

|  |                         | ₹ in lakhs                          |  |
|--|-------------------------|-------------------------------------|--|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |  |
| <b>3.13(b) Other financial liabilities</b>                             |                         |                                     |  |
| Retention money payable  | 3,965                   | 169                                 |  |
| Derivative liability   | 12,229                  | 12,285                              |  |
|  | <b>16,194</b>           | <b>12,454</b>                       |  |
| <b>3.14 Provisions - non current</b>                                   |                         |                                     |  |
| Provision for gratuity (Refer note 14)                                 | 1,523                   | 1,070                               |  |
| Provision for leave encashment (Refer note 14)                         | 1,766                   | 1,556                               |  |
| Provision for mine closure obligation (Refer note 26)                  | 1,496                   | 1,202                               |  |
| Others   | -                       | 7                                   |  |
|  | <b>4,785</b>            | <b>3,835</b>                        |  |
| <b>3.15 Deferred tax liabilities</b>                                   |                         |                                     |  |
| Net deferred tax liability due to temporary difference (Refer note 19) | 2,98,585                | 2,78,447                            |  |
| Less: Recoverable from beneficiaries*                                  | (68,771)                | (44,785)                            |  |
|  | <b>2,29,814</b>         | <b>2,33,662</b>                     |  |

\*As per the terms of PPA, RPSCL and VIPL are eligible for refund of taxes on electricity generation business. Hence, deferred tax liability falling within the tenure of PPA and to the extent expected to be recovered through future tariff, has been disclosed as recoverable from beneficiary.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|  |                         | ₹ in lakhs                          |  |
|--|-------------------------|-------------------------------------|--|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |  |
|  |                         |                                     |  |
| <b>3.16 Other non-current liabilities</b>  |                         |                                     |  |
| Advance from customers   | 916                     | 1,092                               |  |
| Government grants (Refer note 25)  | 1,88,442                | 1,94,349                            |  |
|  | <b>1,89,358</b>         | <b>1,95,441</b>                     |  |
| <b>3.17(a) Borrowings</b>  |                         |                                     |  |
| <b>Secured</b>   |                         |                                     |  |
| Short term Rupee loans from banks  | 8,014                   | -                                   |  |
| Rupee loans from Financial Institutions  | 31,097                  | 23,168                              |  |
| Foreign currency loan from financial institutions  | 3,64,770                | -                                   |  |
| Working capital loan   | 1,32,001                | 1,32,530                            |  |
| Cash credit facility from banks  | 1,04,836                | 1,04,584                            |  |
| Loan against fixed deposits  | 2,160                   | 2,160                               |  |
| <b>Unsecured</b>   |                         |                                     |  |
| Rupee loans from banks   | 25,261                  | 8,650                               |  |
| 2,500 Series III (2017) 10.75% (March 31, 2018: 10.20%) Listed redeemable non convertible debentures of ₹ 1,000,000 each | 25,000                  | 25,000                              |  |
| Commercial paper   | -                       | 10,000                              |  |
| Inter-corporate deposits <sup>1&amp;2</sup>  | 2,00,756                | 76,122                              |  |
|  | <b>8,93,895</b>         | <b>3,82,214</b>                     |  |

<sup>1</sup> Refer note 16(C)

<sup>2</sup> Interest rate on above ICDs varies from 10.50% p.a. to 14.86% p.a.

**3.17(a1) RPSCL**
**Nature of security for Short term borrowings**

Working Capital facilities from banks outstanding balance as at the year end of ₹ 127,180 lakhs (March 31,2018: ₹ 126,540 lakhs) are secured pari passu with term loan lenders by first mortgage / hypothecation/charge on all the Immovable and movable assets and intangible assets of RPSCL.

A negative lien by Parent Company on 51% of its equity in RPSCL.

**Terms of Repayment and Interest**

Working capital facilities have a tenure of twelve months from the date of sanction and are repayable on demand and carries an average rate of interest of 11.76% per annum

**3.17(a2) VIPL**
**Nature of security for Short term borrowings**

Cash credit facilities outstanding balance as at the year end of ₹ 50,145 lakhs (March 31, 2018: ₹ 50,025 lakhs) which are repayable on demand are secured pari passu along with term loan lenders by first charge on all the Immovable and movable assets and intangible asset of VIPL on a pari passu basis and pledge of 51% of the equity share capital of VIPL.

Cash Credit Facility carries an average rate of interest of 12.96% per annum.

**3.17(a3) SPL**
**Nature of security for Short term borrowings**

Cash credit facility outstanding balance as at the year end of ₹ 54,691 lakhs (March 31,2018: ₹ 54,558 lakhs) which are repayable on demand is secured by first charge on all current and fixed assets of the SPL and pledge of 100% of the total issued share capital of SPL held by the Parent Company on pari passu basis with term loan lenders, permitted bank guarantee providers and hedge counterparties.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### Terms of Repayment and Interest

Cash Credit facility carries an average interest rate of 11.55% per annum.

### 3.17(a4) SMPL

SMPL has obtained foreign currency term loan from Export-Import Bank of the United States (US-EXIM). The Outstanding balance as at the year end is ₹ 239,999 lakhs (March 31, 2018: ₹ 242,956 lakhs). The balance disclosed is net of initial borrowing cost aggregating to ₹ 3,505 lakhs (March 31, 2018: ₹ 5,073 lakhs)

### Nature of security for term loan

- (i) Term loan from a bank of ₹ 239,999 lakhs (March 31, 2018: ₹ 242,956 lakhs) classified current on March 31, 2019 are secured by first charge on all the immovable and movable assets and intangible asset of SMPL and pledge of 100% of the total issued share capital of SMPL held by the Parent Company and Ultimate Holding Company. The carrying amount of financial asset and non-financial assets pledged as security are disclosed in note 15.
- (ii) The Parent Company has given financial commitments/ guarantees to the lender of SMPL (Refer note 4).

### Terms of repayment and interest

Foreign Currency Term loan from Financial institution is repayable in structured instalments as under :-

In accordance with terms of financing agreement, the loan from US Exim was originally repayable in 23 semi-annual instalments commencing from October 25, 2014 at a fixed interest rate of 2.65% per annum. Based on subsequent amendment to financing agreement dated September 24, 2016, the outstanding balance as on June 30, 2017 are payable in 16 equal quarterly instalments commencing from September 30, 2017. The rate of interest for the term loan is continued to be 2.65% per annum. The US Exim however, vide their letter dated April 3, 2018, has deferred the repayment of quarterly instalments (inclusive of interest) due on December 31, 2017 and March 31, 2018 of USD 27,369,500 and USD 27,179,667, respectively, to April 25, 2018, for development during the year 2018-19. (Refer note 35)

### 3.17(a5) RSTEPL

RSTEPL has obtained Rupee and foreign currency loans from bank, financial institutions and other parties (include Export-Import Bank of the United States (US-Exim), Asian Development Bank (ADB) and Nederlandse Financierings-Maatschappij Voor Ontwikkelings Landen N.V. – (FMO). The outstanding balance as at the year end is ₹ 138,400 lakhs (March 31, 2018: ₹ 137,924 lakhs). The balance disclosed is net of initial borrowing cost aggregating to ₹ 2,110 lakhs (March 31, 2018: ₹ 2,477 lakhs)

### Nature of security

- (i) Term loans from all banks, financial Institution/ other parties of ₹ 138,400 lakhs (March 31, 2018 : ₹ 137,924 lakhs) are secured by first charge on all the Immovable and movable assets of RSTEPL on pari passu basis and pledge of 100% of the total issued share capital of RSTEPL held by the Parent Company.
- (ii) The parent Company has given financial commitments/ guarantees to the lender of RSTEPL (Refer note 4).

### Terms of repayment of loans and rate of interest

- (i) The Rupee loan has a tenure of upto 15 years from the date of first disbursement will be repaid in 54 unequal quarterly instalments starting from January 7, 2014 and Interest rate is a floating rate linked to Axis Bank base rate plus 3%, payable on monthly basis. The outstanding balance as on year end is ₹ 8,134 lakhs (March 31, 2018: ₹ 8,978 lakhs).
- (ii) Foreign currency loan from financial institution/ other parties has a tenure of upto 17.36 years from the date of first disbursement. It will be repaid in 33 unequal half yearly instalments starting from January 25, 2014 and carries fixed interest of 2.55% per annum payable half yearly. The outstanding balance as on year end is ₹ 25,670 lakhs (March 31, 2018: ₹ 25,564 lakhs).
- (iii) Foreign currency loan from financial institution/ other parties has a tenure of upto 17.45 years from the date of first disbursement. It will be repaid in 33 unequal half yearly instalments starting from January 7, 2014 and carries interest rate of LIBOR plus 3.65% per annum payable half yearly. The outstanding balance as on year end is ₹ 49,215 lakhs (March 31, 2018: ₹ 49,007 lakhs).

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

- (iv) Foreign currency loan from financial institution/ other parties has a tenure of upto 14.45 years from the date of first disbursement. It will be repaid in 27 unequal half yearly instalments starting from January 7, 2014 and carries fixed interest rate of 5.95% per annum, payable half yearly. The outstanding balance as on year end is ₹ 46,583 lakhs (March 31, 2018: ₹ 45,953 lakhs ).
- (v) Foreign currency loan from financial institution/ other parties has a tenure of upto 17.53 years from the date of first disbursement. It will be repaid in 33 unequal half yearly instalments starting from February 6, 2014 and carries fixed interest rate of 7.1% per annum, payable half yearly. The outstanding balance as on year end is ₹ 8,798 lakhs (March 31, 2018: ₹ 8,422 lakhs).

**3.17(a6) RCGL**

RCGL has obtained Rupee Loan from Non banking financial institution of ₹ 31,097 lakhs (March 31, 2018: ₹ 23,168 lakhs).

**Nature of security**

- (i) Rupee loan from financial Institution of ₹ 27,049 lakhs (March 31, 2018 : ₹ 23,168 lakhs) is secured by way of subservient charge on fixed and current assets.
- (ii) Rupee loan from financial Institution of ₹ 4,048 lakhs (March 31, 2018 : ₹ NIL) is secured by way of subservient charge on current assets.

**Terms of repayment and interest**

**Secured**

- (i) Rupee loans from Non banking financial institution of ₹ 21,254 lakhs (March 31, 2018 : ₹ NIL) are repayable in one instalment on July 1, 2019 and carries an interest rate of 13.50% per annum payable on maturity.
- (ii) Rupee loans from Non banking financial institution of ₹ 5,795 lakhs (March 31, 2018 : ₹ NIL) are repayable in one instalment on January 15, 2020 and carries an interest rate of 13.50% per annum payable on maturity.
- (iii) Rupee loans from Non banking financial institution of ₹ 4,048 lakhs (March 31, 2018 : ₹ NIL) are repayable in one instalment on September 12, 2019 and carries an interest rate of 13.50% per annum payable on maturity.
- (iv) Rupee loans from Non banking financial institution of ₹ NIL (March 31, 2018 : ₹ 19,168 lakhs) are repayable in one instalment on June 1, 2018 and carries an interest rate of 13.50% per annum payable on monthly basis.
- (v) Rupee loans from Non banking financial institution of ₹ NIL (March 31, 2018 : ₹ 4,000 lakhs) are repayable in one instalment on October 1, 2018 and carries an interest rate of 13.50% per annum payable on monthly basis.

**3.17(a7) Parent Company**

**Nature of security for Short term borrowings**

- a) Working capital loan outstanding balance as at the year end of ₹ 4,821 lakhs (March 31, 2018: ₹ 5,990 lakhs) are secured by first hypothecation and charge on all receivables of the Company, (excluding assets acquired under the merger scheme with erstwhile Reliance Clean Power Private Limited) both present and future on pari passu basis and are repayable on demand and carries an interest rate of 11.50% per annum payable on a monthly basis.
- b) Loan against fixed deposit of ₹ 2,160 lakhs is secured by first pari passu charge over the fixed deposit of ₹ 2,400 lakhs of the Company. The loan is repayable in full on September 26, 2019 and carries an interest rate of 9.11% per annum payable on a monthly basis.

|  |                         | ₹ in lakhs              |        |
|--|-------------------------|-------------------------|--------|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |        |
|  |                         | Restated                |        |
| <b>3.17(b) Trade payables</b>  |                         |                         |        |
| Total Outstanding dues of micro enterprises and small enterprises (Refer note 32)      | <b>176</b>              |                         | -      |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | <b>42,568</b>           |                         | 36,071 |
|  | <b>42,744</b>           |                         | 36,071 |

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|  |                         | ₹ in lakhs                          |  |
|--|-------------------------|-------------------------------------|--|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>Restated |  |
| <b>3.17(c1) Other financial liabilities</b>  |                         |                                     |  |
| Current maturities of long-term borrowings [Refer note 3.13(a8)]   | 3,42,628                | 3,67,322                            |  |
| Interest accrued but not due on borrowings <sup>1</sup>  | 36,947                  | 20,385                              |  |
| Interest accrued and due on borrowings   | 13,270                  | 746                                 |  |
| Unclaimed dividend   | 299                     | 300                                 |  |
| Security deposits received   | 151                     | 514                                 |  |
| Creditors for capital expenditure  | 2,54,657                | 2,47,223                            |  |
| Retention money payable  | 1,06,870                | 1,08,408                            |  |
| Liability towards Regulatory Matters   | 3,274                   | -                                   |  |
| Creditors for supplies and services  | 9,508                   | 8,689                               |  |
| Derivative liability   | 39                      | 91                                  |  |
| Other payables   | 33,545                  | 16,518                              |  |
|  | <b>8,01,188</b>         | <b>7,70,196</b>                     |  |
| <b>3.17(c2) Liabilities classified as held for sale</b>  | <b>-</b>                | <b>1</b>                            |  |
| <b>3.18 Other current liabilities</b>  |                         |                                     |  |
| Advance from customers <sup>1</sup>  | 218                     | 1,915                               |  |
| Government Grants (Refer note 25)  | 5,907                   | 5,907                               |  |
| Other payables (including unscheduled interchange charges, provident fund, tax deducted at sources and other miscellaneous payables) | 52,532                  | 12,318                              |  |
|  | <b>58,657</b>           | <b>20,140</b>                       |  |
| <b>3.19 Provisions - current</b>   |                         |                                     |  |
| Provision for gratuity (Refer note 14)   | 297                     | 25                                  |  |
| Provision for leave encashment (Refer note 14)   | 260                     | 486                                 |  |
| Provision for others   | -                       | 9                                   |  |
|  | <b>557</b>              | <b>520</b>                          |  |
| <b>3.20 Current tax liabilities</b>  |                         |                                     |  |
| Provision for income tax [net of advance tax of ₹ 53 lakhs (March 31, 2018: Nil)]  | 23,804                  | 19,244                              |  |
|  | <b>23,804</b>           | <b>19,244</b>                       |  |

<sup>1</sup> Includes payable to related parties [Refer note 16(C)]



## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|   |                              | ₹ in lakhs                               |
|---|------------------------------|--|
| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>Restated |
| <b>3.21 Revenue from operations</b>                                   |                              |  |
| Sale of energy (including sale to related party) [Refer note 16(C)]   | 7,26,017                     | 8,38,878                                 |
| <b>Other operating income:</b>  |                              |  |
| Income on assets given on finance lease                               | 90,271                       | 1,13,972                                 |
| Interest from customer on delayed payments [Refer note 16(C)]         | 3,242                        | 5,952                                    |
| Carbon credit emission  | 298                          | 162                                      |
| Generation based incentive  | 303                          | 309                                      |
|   | <b>8,20,131</b>              | <b>9,59,273</b>                          |
| <b>3.22 (a) Other income</b>  |                              |  |
| Interest income:  |                              |  |
| Bank deposits   | 8,509                        | 8,672                                    |
| Inter-corporate deposits [Refer note 16(C)]                           | 9,079                        | 7,842                                    |
| Others  | 208                          | 241                                      |
| Income from investments mandatorily measured at FVTPL                 |                              |  |
| Investment in mutual funds  | 729                          | 1,682                                    |
| Net Gain on sale of financial assets mandatorily measured at FVTPL    |                              |  |
| Investment in mutual funds  | 1,266                        | 1,605                                    |
| Gain on foreign exchange fluctuations (net)                           | 4,990                        | 564                                      |
| Provision written back  | 14                           | 45                                       |
| Net gain on derivatives not designated as hedge                       | 1,338                        | -  |
| Government Grant (Refer note 25)                                      | 5,307                        | 5,307                                    |
| Other non-operating income  | 1,855                        | 1,870                                    |
|   | <b>33,295</b>                | <b>27,828</b>                            |
| <b>(b) Income from Discontinued Operations</b>                        |                              |  |
| Interest income (Refer note 41)                                       | 412                          | 481                                      |
|   | <b>412</b>                   | <b>481</b>                               |
| <b>3.23 Cost of fuel consumed (including cost of coal excavation)</b> |                              |  |
| <b>(a) Purchased coal consumed</b>                                    |                              |  |
| Opening balance of fuel   | 2,606                        | 29,993                                   |
| Add: Purchases during the year  | 1,87,484                     | 2,44,447                                 |
| Less : Closing balance of fuel  | (24,322)                     | (2,606)                                  |
|   | <b>1,65,768</b>              | <b>2,71,834</b>                          |
| <b>(b) Coal excavation cost</b>                                       |                              |  |
| Opening balance of fuel   | 5,744                        | 8,126                                    |
| Amortisation of mining properties                                     | 66,070                       | 58,666                                   |
| Taxes and duties  | 40,299                       | 54,868                                   |
| Fuel consumed   | 5,501                        | 5,486                                    |
| Stores and spares   | 4,275                        | 2,578                                    |
| Depreciation  | 1,209                        | 1,226                                    |
| Other expenses  | 1,495                        | 1,480                                    |
| Less : Closing balance of fuel  | (5,348)                      | (5,744)                                  |
|   | <b>1,19,245</b>              | <b>1,26,686</b>                          |
| <b>Total (a)+(b)</b>  | <b>2,85,013</b>              | <b>3,98,520</b>                          |

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|  |                              | ₹ in lakhs                               |
|--|------------------------------|--|
| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>Restated |
| <b>3.24 Employee benefits expense</b>  |                              |  |
| Salaries, bonus and other allowances   | 16,563                       | 16,519                                   |
| Contribution to provident fund and other funds (Refer note 14)   | 668                          | 665                                      |
| Gratuity and Leave encashment (Refer note 14)  | 815                          | 886                                      |
| Staff welfare expenses   | 604                          | 582                                      |
|  | <b>18,650</b>                | <b>18,652</b>                            |
| <b>3.25 Finance cost</b>   |                              |  |
| Interest on:   |                              |  |
| Rupee term loans   | 1,83,642                     | 1,88,124                                 |
| Foreign currency loans   | 44,874                       | 39,569                                   |
| Inter corporate deposits [Refer note 16(C)]  | 16,351                       | 7,397                                    |
| Non convertible debentures [Refer note 16(C)]  | 10,676                       | 5,694                                    |
| Working capital loans  | 30,801                       | 25,350                                   |
| Unwinding of discount on mine closure provision  | 169                          | 124                                      |
| Other finance charges (including fair value change and loss arising on settlement of derivative contracts) | 29,668                       | 22,485                                   |
| Other finance charges  | 4,668                        | 3,854                                    |
|  | <b>3,20,849</b>              | <b>2,92,597</b>                          |
| <b>3.26(a) Generation, administration and other expenses</b>   |                              |  |
| Stores and spares consumed   | 10,329                       | 11,463                                   |
| Rent expenses (including rent to related party) [Refer note 16(C)]   | 1,809                        | 2,526                                    |
| Repairs and maintenance  |                              |  |
| – Plant and equipment  | 13,827                       | 14,227                                   |
| – Buildings  | 530                          | 280                                      |
| – Others   | 1,394                        | 1,210                                    |
| Fuel handling and service charges  | 894                          | 937                                      |
| Stamp duty and filing fees   | 28                           | 66                                       |
| Printing and stationery  | 439                          | 408                                      |
| Legal and professional charges (including shared service charges)  | 5,678                        | 8,975                                    |
| Rates and taxes  | 585                          | 625                                      |
| Insurance (including Insurance charges to related party) [Refer note 16(C)]                                | 6,929                        | 7,353                                    |
| Loss on sale of property, plant and equipment  | 291                          | 747                                      |
| Loss on foreign exchange fluctuations  | 7,615                        | 4,402                                    |
| Provision for doubtful debts / amount written-off  | 19,027                       | -  |
| Impairment of capital work in progress   | 3,500                        | -  |
| Electricity duty expense   | 32,813                       | 31,741                                   |
| Expenditure towards Corporate Social Responsibility (Refer note 31)  | 684                          | 2,331                                    |
| Miscellaneous expenses   | 17,133                       | 16,214                                   |
|  | <b>1,23,505</b>              | <b>1,03,505</b>                          |
| <b>(b) Expenses of Discontinued Operations</b>   |                              |  |
| Legal and professional charges (including shared service charges)  | @                            | 1  |
|  | <b>@</b>                     | <b>1</b>                                 |

@ Amount is below the rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

**4. Contingent liabilities/ assets and commitments**

- (a) Bank Guarantees issued for the subsidiary companies aggregating to ₹ 23,772 lakhs (March 31, 2018: ₹ 148,699 lakhs). Refer note 6 with respect to CAPL.
- (b) In case of RPSC, disputed income tax dues for Assessment Year 2013-14 is ₹ 66 lakhs (March 31, 2018: ₹ Nil), Assessment Year 2014-15 is ₹ 65 lakhs (March 31, 2018: ₹ Nil) and for Assessment Year 2016-17 is ₹ 900 lakhs (March 31, 2018: ₹ Nil).
- (c) In case of VIPL, disputed income tax dues for Assessment Year 2015-16 is ₹ 1 lakhs (March 31, 2018: ₹ Nil)
- (d) In case of CAPL, the Government of Andhra Pradesh (GoAP) (Revenue Department) has levied a penalty of ₹ 137 lakhs (March 31, 2018: ₹ 137 lakhs) at the rate of 50% on account of non-payment of conversion fee of ₹ 274 lakhs (March 31, 2018: ₹ 274 lakhs) towards conversion of agriculture land to non agricultural land. CAPL has filed an appeal with the GoAP for waiver of the said penalty.
- (e) RSTEPL has declared its Concentrated-Solar Power (CSP) plant as commercially operational as per terms of Power Purchase Agreement (PPA) on November 17, 2014 against the scheduled commissioning date (SCD) of March 07, 2014 as per terms of PPA. The Company has filed a petition before Central Electricity Regulatory Commission (CERC) for extension of SCD. Pleadings in the said petition have been completed and the matter is to be listed for hearing.
- (f) As per the terms of the PPA entered with NTPC Vidyut Vyapar Nigam Limited (NVVN), RSTEPL was required to generate minimum committed energy in the contract year subsequent to declaration of commercial operation date (COD). RSTEPL has received a demand of ₹ 8,536 lakhs (March 31, 2018: ₹ 8,536 lakhs) towards shortfall in minimum energy supply for the period from November 17, 2014 (date of COD as per the terms of PPA) to March 31, 2016. RSTEPL has subsequently approached Delhi High Court (DHC) under Section 9 and 11 of Arbitration and Conciliation Act, 1996 seeking interim relief by restraining NVVN not to deduct such amount from the amount payable towards invoices raised for supply of power.

In the hearing held on March 30, 2017, DHC granted stay on recovery of the minimum energy shortfall claim of NVVN and vide its order dated September 19, 2018, DHC has disposed off the petition directing RSTEPL to approach CERC for further direction in the matter.

Accordingly, RSTEPL has filed petition before CERC on November 15, 2018 as per the aforesaid order which was admitted and the matter is under pleading stage.

Moreover, in the matter of petitions filed by other CSP developers against the compensation claimed by NVVN due to shortfall in minimum energy supply, CERC has ruled that NVVN and the distribution companies are not entitled to raise any claim from the CSP developer unless they prove that they suffered loss by the way of penalty from the State Electricity Regulatory Commission (SERC) on account of non-compliance of Renewable Purchase Obligation (RPO) due to shortfall generation. It is to be noted that NVVN has not submitted any proof of claim received from any distribution company (Discom) on account of penalty imposed by respective SERC on the Discom due to non-compliance of RPO. Further, Rajasthan Electricity Regulatory Commission, vide its order dated November 14, 2017 has allowed Rajasthan discoms to meet its shortfall in RPO by purchasing renewable energy in next five years without imposing any penalty and same has been confirmed by Rajasthan discoms vide their letter in response to Right to Information query.

Subsequent to grant of stay by DHC, NVVN has been paying against the Invoices, except for an amount of ₹ 3,274 lakhs for which provision is made, on principle of prudence, in the financial statements. Considering the above facts and as legally advised, RSTEPL has made an assessment of the above disputes and no provision is considered necessary. Cash outflows, if any, is dependent upon the resolution of the above matter.

- (g) In case of CPPL, as per terms of bid bond of Uttar Pradesh Power Corporation Limited (UPPCL), the Parent Company had provided bank guarantee of ₹ 7,387 lakhs and which has since been invoked by UPPCL during the FY 2017-18. The parent company filed a writ petition in Lucknow Bench of Hon'ble High Court of Allahabad against the invocation of Bank Guarantee. During the year, the parent Company has made payment to the bank of ₹ 7,488 lakhs along with interest (₹102 lakhs). However, the bank has levied bank charges of ₹ 1,384 lakhs on issue of bank guarantee at regular rate than the rate as agreed upon. The bank charges levied by the bank have been disputed by the Parent Company and out of prudence an amount of ₹ 3,700 lakhs has been provided in the books of CPPL.
- (h) In case of SMPL, CERC vide its order dated April 06, 2015 has directed SMPL and Spectrum Power Generation Limited (SPGL) to reimburse 80% of the acquisition price incurred by Power Grid Corporation India Limited (PGCIL) for acquiring Vemagiri Transmission System Limited (VTSL) in proportion to the long term accesses (LTA) granted to SMPL and SPGL. It was further directed that the balance 20% and the expenditure incurred by VTSL from the date of acquisition till the liquidation of the said company shall be borne by PGCIL. The financial liability for SMPL in this matter amounts to a sum total of ₹ 1,170 lakhs subject to the outcome of the APTEL.

Both SMPL and SPGL have preferred appeals before the Appellate Tribunal for Electricity (APTEL) against the aforesaid order of the CERC dated April 06, 2015, on the ground that PGCIL has not complied with its obligation of setting up transmission system and other valid reasons. The matter is pending before the Ld. Appellate Tribunal of Electricity (APTEL).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

- (i) In case of SMPL, disputed income tax dues for the assessment year 2014-15 and 2015-16 is ₹ 41 lakhs and ₹ 411 lakhs respectively.
- (j) In case of SPL:
  - (i) SPL has received net claims amounting to ₹ 974 lakhs (March 31, 2018: ₹ 1,001 lakhs) from contractors towards deductions made by SPL due to non-performance of certain obligations under the terms of arrangement for the construction of certain works. The dispute is under arbitration.
  - (ii) SPL has received claims amounting to ₹ 11,454 lakhs (March 31, 2018: ₹ 18,889 lakhs) from a party towards consultancy and advisory services provided by them. As per the terms of the arrangement between both the parties, the same would be settled through arbitration. Presently, the Arbitral Tribunal has been constituted and the matter is pending before the Arbitral Tribunal.
  - (iii) SPL has received a claim of ₹ 2,568 lakhs (March 31, 2018: ₹ 2,568 lakhs) from some of the procurers alleging delay in achievement of commercial operation of first and second unit, which has been disputed by SPL and same is pending before the Hon'ble High Courts.
  - (iv) SPL has disputed the quantification of the demand for payment of tax on annual value of mineral bearing land amounting to ₹ 32,547 lakhs (March 31, 2018: ₹ 15,683 lakhs) from District Authorities under Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam (MPGSTVA) and hence the same is deposited as per quantification done by SPL.  
 SPL had filed a writ petition before Hon'ble Jabalpur High Court for revised quantification, however the same was rejected by the Court by its Order dated January 17, 2018. SPL has filed a Review Petition before Hon'ble Jabalpur High Court against its earlier order dated January 17, 2018 and the same was also rejected by High Court. The Company has filed SLP before Supreme Court where Supreme Court has passed an interim order to pay the MPGATSWA as per methodology adopted by SPL till the same type of pending matters are concluded by the authorities.
  - (v) SPL has received favorable order from the Office of the Commissioner, Service Tax IV, Mumbai for service tax demand of ₹ 2,229 lakhs raised by DGCEI (Directorate General of Central Excise Intelligence) on exposure fees. Service tax department has filed the appeal before CESTAT against the order of the Commissioner, Service Tax IV, Mumbai. SPL received favourable order from CESTAT also. However, Service Tax department after reviewing the order filed writ in Hon'ble High Court, Mumbai which is pending to be admitted.
  - (vi) SPL has not provided for income tax demand of ₹ 399 lakhs which is pending before various authorities.
- (k) The Parent Company 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 projects being undertaken by the respective subsidiaries, including any capital expenditure for regulatory compliance and to meet shortfall in the expected revenues/debt servicing.  
 Future cash flows in respect of the above matters can only be determined based on the future outcome of various uncertain factors.
- (l) Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for ₹ 897,289 lakhs (March 31, 2018: ₹ 973,553 lakhs).
- (m) The Honourable Supreme Court has passed a decision on February 28, 2019 in relation to inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining contribution to Provident Fund under the Employees Provident Funds and Miscellaneous Provisions Acts, 1952. The Group is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statement, if any. Accordingly, the applicability of the judgement to the Group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

### 5. Applicability of NBFC Regulations

The Parent Company, based on the objects given in the Memorandum of Association, its role in construction and operation of power plants through its subsidiaries and other considerations, has been legally advised that the Parent Company is not covered under the provisions of Non-Banking Financial Company as defined in Reserve Bank of India Act, 1934 and accordingly is not required to be registered under section 45 IA of the said Act.

### 6. Coastal Andhra Power Limited (CAPL)

CAPL was incorporated to develop an imported coal-based Ultra Mega Power Project (UMPP) of 3,960 MW capacity located in Krishnapatnam, District Nellore, in the State of Andhra Pradesh.

The project was awarded to Reliance Power Limited (RPL) through international tariff-based competitive bidding process managed by Power Finance Corporation (PFC), the nodal agency appointed by Ministry of Power. PFC was required to set up special purpose vehicles for each UMPP and to undertake initial development of UMPPs in terms of land acquisition and key clearances and thereafter select a developer for development, financing, construction and operation of the UMPP. On emerging successful, 100% ownership of CAPL was transferred by PFC to RPL pursuant to execution of a Share Purchase Agreement (SPA); thereafter RPL became the Parent Company of CAPL.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2019**

CAPL had entered into a firm price fuel supply agreement which envisaged supply of coal from Indonesia with RCRPL, a wholly owned subsidiary of the Parent Company. The Government of Indonesia introduced a new regulation in September, 2010 which prohibited sale of coal, including sale to affiliate companies, at below Benchmark Price which is linked to international coal prices and required adjustment of sale price every 12 months. This regulation also mandated to align all existing long-term coal supply contracts with the new regulations within one year i.e. by September, 2011. The new Indonesian regulations led to steep increase in price of coal imported from Indonesia, making the UMPP unviable and as a result CAPL could not draw down already tied-up debt for the project. The said issue was communicated to the power procurers of the UMPP with a view to enter into mutual discussions to arrive at a suitable solution to the satisfaction of all the stakeholders. The impact of new Indonesian regulation, being an industry-wide issue which impacted all imported coal-based projects in the Country, was also taken up with GoI through the Association of Power Producers.

Since no resolution could be arrived, CAPL invoked the dispute resolution provision of the PPA. The procurers also issued a notice for termination of the PPA and raised a demand for liquidated damages of ₹ 40,000 lakhs.

CAPL filed a petition before the Hon'ble High Court at Delhi inter-alia for interim relief under Section 9 of the Arbitration and Conciliation Act, 1996. The single judge of the High Court at Delhi vide order dated July 02, 2012 dismissed the petition and CAPL filed an appeal against the said order before the Division Bench of the High Court at Delhi. The Division Bench dismissed the appeal on January 15, 2019 and consequently the PPA between procurers and CAPL stood terminated. Thereafter, the procurers have encashed the Performance Bank Guarantees of ₹ 30,000 lakhs towards recovery of their liquidated damages claim.

CAPL has now filed a petition before the Central Electricity Regulatory Commission (CERC) for referring the dispute to arbitration and the petition is currently pending adjudication before CERC.

As per the terms of SPA among PFC, RPL and CAPL, on termination of PPA under Article 3.3.3 of PPA, PFC has a right to seek transfer of ownership of CAPL to PFC / entity designated by PFC. Accordingly, RPL has requested PFC to initiate process of transfer of ownership of CAPL and invite a procurers' meeting in that regard to decide on modalities of transfer.

**7. Samalkot Power Limited (SMPL)**

**(a) Capital work in progress [1508 Mega Watt (MW) (754 MW X 2) Plant]**

There is a continued uncertainty regarding availability of natural gas in the country for operation of the plant, and while SMPL is actively pursuing with relevant authorities for securing gas linkages / supply at commercially viable prices / generation opportunities, it is also evaluating alternative arrangements / approaches, including marketing of equipment pursuant to an agreement with US-EXIM, to deal with the situation. SMPL is confident of arriving at a positive resolution to the foregoing in the foreseeable future and therefore, the carrying amount of capital work in progress is considered recoverable.

**(b) Non Current assets held for sale (754 MW Plant)**

The Parent Company, had entered into a Memorandum of Understanding (MOU) with the Government of Bangladesh (GoB) for developing a gas-based project of a 3000 MW capacity in a phased manner. Pursuant to the above, Reliance Bangladesh LNG and Power Limited (RBLPL), subsidiary of the Parent Company has taken steps to conclude a long-term power purchase agreement (PPA) for supply of 718 MW (net) power from a combined cycle gas-based power plant to be set up at Meghnaghat near Dhaka in Bangladesh. In this regard, a letter of intent has been issued by Bangladesh Power Development Board to the Parent Company on July 26, 2017.

SMPL has entered into a MOU on March 21, 2017 for sale of the Plant to RBLPL for a consideration not less than its carrying amount. SMPL is confident that RBLPL will be able to achieve financial closure and remit the sale proceeds.

Having regard to the above plans, and the continued financial support from the Parent Company, the management believes that SMPL would be able to meet its financial and other obligations in the foreseeable future. Accordingly, the financial statements of SMPL have been prepared on a going concern basis.

**8. Jharkhand Integrated Power Limited (JIPL)**

JIPL, a wholly owned subsidiary of the Parent Company, has been set up to develop Ultra Mega Power Project of 3,960 MW capacity located in Tilaiya, Hazaribagh District, Jharkhand. Tilaiya Ultra Mega Power project (the UMPP) was awarded to the Parent Company through International Competitive Bidding (ICB), under the UMPP policy. Consequently, JIPL was handed over to the Parent Company on August 07, 2009 by Power Finance Corporation Limited (PFC). JIPL has signed a 25 year PPA with 18 Procurers in 10 States. For fuel security, the Project was allocated Kerandari B&C captive coal mine block.

Following termination of the PPA by JIPL in April 2015, the procurers have accepted the PPA termination, returned and released the Performance Bank Guarantees of ₹ 60,000 lakhs and made termination payment of ₹ 11,279 lakhs. Subsequently, Ministry of Coal, GoI has returned and released the Bank Guarantee of ₹ 20,816 lakhs, which was issued towards development of Kerandari B&C captive coal mine block.

With this, all actions arising from the termination of the PPA for Tilaiya UMPP have been successfully completed.

### 9. Status of Dadri Project

The Parent Company proposed to develop a 7,480 MW gas-based power project to be located at Dadri, District Hapur, Uttar Pradesh in the year 2003. The Government of Uttar Pradesh (the GoUP) in the year 2004 acquired 2,100 acres of land and conveyed the same to the Parent Company in the year 2005. However, certain land owners challenged the acquisition of land by the GoUP for the project before the Hon'ble Allahabad High Court. The Hon'ble Allahabad High Court quashed a part of land acquisition proceedings. Subsequently, in the appeals filed by the Parent Company and land owners against the findings of the Hon'ble Allahabad High Court, the Hon'ble Supreme Court held the land acquisition proceedings as lapsed but upheld the right of the Parent Company to recover the amount paid in any other proceeding. The Parent Company has represented to the GoUP seeking compensation towards cost incurred on the land acquisition of ₹ 1,900 lakhs as well as other incidental expenditure thereto. Considering the above facts, the Parent Company has classified assets related to the Dadri project under the head Assets classified as held for sale. The Parent Company has realized amount of ₹ 2,522 lakhs till March 31, 2019 from the GoUP and the balance amount is expected to be recovered in the future. Based on correspondence received from the GoUP, the Parent Company has recognized an interest income of ₹ 8,393 lakhs till March 31, 2019 (Refer note 3.9 & 3.10). This has been considered as discontinued operation.

### 10. Status of RSTEPL Project

RSTEPL's Power plant had started generation of electricity, however the plant was operating at a sub-optimal level / not achieved its intended capacity. Considering the nascent nature of the technology, the management has been incurring additional cost for implementation of several performance measures to achieve its intended capacity. Considering accounting policy of capitalization and on achieving the intended performance of the plant basis the current structure and capital expenditure incurred, RSTEPL has capitalized its plant on October 01, 2018. Leaving Direct Normal Irradiance (DNI) uncertainty aside, in terms of operating performance, for a given level of DNI input (in terms of its quantity and quality), plant is able to generate predictable level of energy.

Post capitalization, as explained above, the plant has been operating at a sub-optimum level due to various factors such as lower DNI, availability of the experts for the technology, the technology being nascent and very few plants of this size being operating across the world.

### 11. Employee Stock Option Scheme (ESOS)

Pursuant to the approval accorded by the shareholders on September 30, 2007 under Section 81(1A) of the Companies Act, 1956, the Parent Company has administered and implemented Employee Stock Option Scheme (ESOS) in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Board of Directors of the Parent Company has constituted its ESOS Compensation Committee to operate and monitor the ESOS Scheme which is administered through Reliance Power ESOS Trust ("RPET"). The ESOS Scheme mentions that the employees of the Parent Company are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS Plan of the Parent Company.

The ESOS Compensation Committee of the Board of Directors ("the Board") of the Parent Company approved a grant of 200 lakhs stock options to the eligible employees of the Parent Company and its subsidiaries on May 08, 2010. The options were granted to the employees of the Parent Company and its subsidiaries on satisfying the performance and other eligibility criteria set out in ESOS Plan. In accordance with the ESOS Scheme, each option entitles an employee to apply for one fully paid equity share of ₹ 10 of the Parent Company at an exercise price of ₹ 162 per share. Pursuant to the amendments made to the ESOS Scheme as approved by the ESOS Compensation Committee of the Board, effective from April 01, 2014, the Independent Directors of the Parent Company shall not be eligible to participate in the Scheme. Further, the exercise period of the vested options may be different for different plans and shall not be longer than ten years from the date of vesting.

However, considering the market price of shares, none of the employee had exercised the options vested and consequently the ESOS Committee at their meeting held on May 19, 2014, had amended the ESOS Plan 2010 and extended the validity period of Exercise Period.

Thereafter, considering the Parent Company's proposed revision in its current Employees' Remuneration & Incentive Policy, market condition and the market price which was quoted to be under ₹ 50 per share for past six months, and after considering the recommendation of Nomination and Remuneration Committee, the Parent Company decided to wind up the Reliance Power - Employee Stock Option Scheme 2010 with effect from October 23, 2017.

Considering the above, the ESOS Trust has sold its shares during FY 2017-18 in the open market at a loss of ₹ 845 lakhs, impact of which has been taken to other equity in the financial statements of the Parent Company as on March 31, 2018.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2019**
**12. Exchange differences on foreign currency monetary items**

As explained above in note 2.1(p) exchange loss / (gain) of ₹ 28,435 lakhs and ₹ 41,890 lakhs [March 31, 2018: ₹ 1,634 lakhs and (₹ 1,520 lakhs)] on long term borrowings has been added to / reduced from the cost of PPE and Capital-work-in-progress respectively.

In case of RPSCL and VIPL, the Group has accumulated the exchange differences in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) of ₹ 9,580 lakhs (March 31, 2018: ₹ 8,768 lakhs) and shall amortize the same over the term of the foreign currency monetary item.

**13. Finance Lease Receivables** [Refer note 2.1 (v)]

| ₹ in lakhs                            |                |                |
|---------------------------------------|----------------|----------------|
| Particulars                           | March 31, 2019 | March 31, 2018 |
| Current finance lease receivables     | 49,123         | 55,905         |
| Non-current finance lease receivables | 800,847        | 832,143        |
| <b>Total</b>                          | <b>849,970</b> | <b>888,048</b> |

| ₹ in lakhs                            |                  |                  |
|---------------------------------------|------------------|------------------|
| Particulars                           | March 31, 2019   | March 31, 2018   |
| <b>Minimum lease payments</b>         |                  |                  |
| Not later than one year               | 155,291          | 169,353          |
| Between one year and five years       | 539,862          | 652,837          |
| Later than five years                 | 1,040,483        | 1,062,283        |
| <b>Total</b>                          | <b>1,735,636</b> | <b>1,884,473</b> |
| Less: Unearned finance income         | 1,315,214        | 1,417,389        |
| Less: Expected cash outflows          | 3,151            | 3,835            |
| Add: Unrecovered finance lease income | 10,048           | 1,819            |
| Add: Unguaranteed residual value      | 422,651          | 422,980          |
| <b>Total</b>                          | <b>849,970</b>   | <b>888,048</b>   |

| ₹ in lakhs                                     |                |                |
|--|----------------|----------------|
| Particulars                                    | March 31, 2019 | March 31, 2018 |
| <b>Present value of minimum lease payments</b> |                |                |
| Not later than one year                        | 49,123         | 55,905         |
| Between one year and five years                | 176,461        | 235,219        |
| Later than five years                          | 194,838        | 175,960        |
| <b>Total</b>                                   | <b>420,422</b> | <b>467,084</b> |

In RPSCL, the finance lease receivables, accounted for as finance lease in accordance with Appendix C of Ind AS 17 relate to the 25 years power purchase agreement under which RPSCL sells all of its electricity output of its coal based generation capacity at Rosa village in Shahjahanpur, Uttar Pradesh in two Phases of 600 MW each (Both the stages comprise two units of 300 MW each and employ subcritical Pulverized Coal Combustion (PCC) technology) to its off taker, Uttar Pradesh Power Corporation Limited (UPPCL).

The effective interest rate implicit in the finance lease was approximately 13% for both 2019 and 2018.

In VIPL, the finance lease receivables, accounted for as finance lease in accordance with Appendix C of Ind AS 17, relate to the 25 year power purchase agreement under which VIPL sells all of its electricity output of its coal based generation capacity of 600 MW at Butibori village in Nagpur, Maharashtra.

The effective interest rate The effective interest rate Implicit in the finance lease was approximately 13.26% for both 2019 and 2018.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 14. Employee Benefit Obligations

The Group has classified various employee benefits as under:

#### (a) Leave obligations

The leave obligations cover the group's liability for sick and privileged leave.

| ₹ in lakhs                     |                |                |
|--------------------------------|----------------|----------------|
| Particulars                    | March 31, 2019 | March 31, 2018 |
| Provision for leave encashment |                |                |
| Current*                       | 260            | 486            |
| Non-current                    | 1,766          | 1,556          |

\* The Group does not have an unconditional right to defer the settlements.

#### (b) Defined contribution plans

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
- (iv) Employees' Pension Scheme, 1995

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

The Company has recognised the following amounts in the statement of profit and loss / capital work-in-progress for the year:

| ₹ in lakhs   |                |                |
|--|----------------|----------------|
| Particulars  | Year Ended     | Year Ended     |
|  | March 31, 2019 | March 31, 2018 |
| Contribution to defined contribution plans (provident and other funds) | 767            | 783            |

#### (c) Post employment obligation

##### Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

##### (i) Significant estimates: actuarial assumptions

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

| Particulars                             | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Discount Rate (per annum)               | 7.10%          | 7.65%          |
| Rate of increase in compensation levels | 7.50%          | 7.50%          |
| Rate of return on plan assets           | 7.10%          | 7.65%          |

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(ii) Gratuity Plan

|   | ₹ in lakhs                  |                           |            |
|---|-----------------------------|---------------------------|------------|
| Particulars   | Present value of obligation | Fair value of plan assets | Net amount |
| April 01, 2017  | 2,262                       | 1,161                     | 1,101      |
| Current service cost  | 406                         | -                         | 406        |
| Past service cost   | 7                           | -                         | 7          |
| Interest cost   | 151                         | 80                        | 71         |
| Total amount recognised in profit and loss                                    | 564                         | 80                        | 484        |
| Remeasurements  |                             |                           |            |
| Return on plan assets, excluding amount included in interest expense/(income) | -                           | (26)                      | 26         |
| (Gain) / loss from change in demographic assumptions                          | (373)                       | -                         | (373)      |
| (Gain) / loss from change in financial assumptions                            | (79)                        | -                         | (79)       |
| Experience (gains) / losses   | (101)                       | -                         | (101)      |
| Total amount recognised in other comprehensive income                         | (553)                       | (26)                      | (527)      |
| Employer's contribution   | (18)                        | 20                        | (38)       |
| Benefit payments  | (199)                       | (196)                     | (3)        |
| March 31, 2018  | 2,056                       | 1,039                     | 1,017      |

|   | ₹ in lakhs                  |                           |              |
|---|-----------------------------|---------------------------|--------------|
| Particulars   | Present value of obligation | Fair value of plan assets | Net amount   |
| April 01, 2018  | 2,056                       | 1,039                     | 1,017        |
| Current service cost  | 314                         | -                         | 314          |
| Past service cost   | 22                          | 26                        | (4)          |
| Interest cost   | 121                         | 48                        | 72           |
| <b>Total amount recognised in profit and loss</b>                             | <b>457</b>                  | <b>74</b>                 | <b>382</b>   |
| Remeasurements  |                             |                           |              |
| Return on plan assets, excluding amount included in interest expense/(income) | -                           | 29                        | (29)         |
| (Gain) / loss from change in demographic assumptions                          | -                           | -                         | -            |
| (Gain) / loss from change in financial assumptions                            | 84                          | -                         | 84           |
| Experience (gains) / losses   | 54                          | -                         | 54           |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>138</b>                  | <b>29</b>                 | <b>109</b>   |
| Employer's contribution   | -                           | -                         | -            |
| Benefit payments  | (133)                       | (133)                     | -            |
| <b>March 31, 2019</b>   | <b>2,518</b>                | <b>1,009</b>              | <b>1,508</b> |

The net liability disclosed above relates to funded and unfunded plans is as follows:

|  | ₹ in lakhs     |                |
|--|----------------|----------------|
| Particulars  | March 31, 2019 | March 31, 2018 |
| Present value of obligations                         | 2,354          | 1,906          |
| Fair value of plan assets                            | 931            | 960            |
| <b>(Surplus) / Deficit of funded plan</b>            | <b>1,423</b>   | <b>946</b>     |
| Present value of obligations                         | 162            | 150            |
| Fair value of plan assets                            | 79             | 79             |
| <b>(Surplus) / Deficit of unfunded plan</b>          | <b>83</b>      | <b>71</b>      |
| <b>(Surplus) / Deficit of funded / unfunded plan</b> | <b>1,506</b>   | <b>1,017</b>   |
| Current Portion                                      | 25             | 25             |
| Non-Current Portion (Net of assets ₹ 79 lakhs)       | 1,481          | 992            |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### (iii) Sensitivity analysis

The sensitivity of the provision for defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                             | Impact on closing balance of provision for defined benefit obligation |                |                         |                |                         |                |
|---|---|----------------|-------------------------|----------------|-------------------------|----------------|
|   | Change in assumptions   |                | Increase in assumptions |                | Decrease in assumptions |                |
|   | March 31, 2019  | March 31, 2018 | March 31, 2019          | March 31, 2018 | March 31, 2019          | March 31, 2018 |
| Discount rate                           | 0.50%   | 0.50%          | (2.45%)                 | (2.50%)        | 2.24%                   | 2.63%          |
| Rate of increase in compensation levels | 0.50%   | 0.50%          | 1.69%                   | 2.62%          | (2.46%)                 | (2.51%)        |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The above funded defined benefit plans are administrated by Life Insurance Corporation of India (LIC) and Reliance Nippon Life Insurance Company Limited (RLIC).

- (iv) For unfunded plan, the Group has no compulsion to pre fund the liability of the plan. The Group's policy is not to externally fund these liabilities but instead recognize the provision and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Group.

### (v) Defined benefit liability and employer contributions:

The Company will pay based on demand raised by LIC and RLIC towards gratuity liability on time to time basis to eliminate the deficit in defined benefit plan.

- (vi) The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

## 15. Group's assets pledged as security

₹ in lakhs

| Particulars   | March 31, 2019   | March 31, 2018   |
|---|------------------|------------------|
| <b>Non – current</b>                                    |                  |                  |
| <b>First charge</b>                                     |                  |                  |
| <b>Financial assets</b>                                 |                  |                  |
| Finance lease receivable                                | 800,847          | 832,143          |
| Other financial assets                                  | 13,024           | 12,802           |
| <b>Non financial assets</b>                             |                  |                  |
| Property, plant and equipment                           | 2,580,699        | 2,536,764        |
| Capital work-in-progress                                | 172,393          | 418,757          |
| Other intangible assets                                 | 3,703            | 3,905            |
| Other non-current assets                                | 78,896           | 86,214           |
| <b>Total Non-current assets pledged as security (A)</b> | <b>3,649,562</b> | <b>3,890,585</b> |
| <b>Current</b>  |                  |                  |
| <b>First charge</b>                                     |                  |                  |
| <b>Financial assets</b>                                 |                  |                  |
| Investment  | 22,366           | 27,992           |
| Trade receivable  | 273,811          | 247,780          |
| Cash and bank balance                                   | 25,917           | 64,662           |
| Loans   | 282              | 213,045          |
| Finance lease receivable                                | 49,123           | 55,905           |
| Other financial assets                                  | 53,385           | 24,950           |
| <b>Non-financial assets</b>                             |                  |                  |
| Inventories   | 100,911          | 72,558           |
| Other current assets                                    | 13,782           | 13,426           |
| <b>Total current assets pledged as security (B)</b>     | <b>539,577</b>   | <b>720,318</b>   |
| <b>Total assets pledged as security (A+B)</b>           | <b>4,189,139</b> | <b>4,610,903</b> |

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

**16. Related party transactions**

As per Indian Accounting Standard 24 (Ind AS-24) 'Related Party Transactions' as prescribed by Companies (Indian Accounting Standards) Rules, 2015, the Group's related parties and transactions are disclosed below:

**A. Investing Parties/Promoters having significant influence on the Group directly or indirectly**

(i) **Company**  
Reliance Infrastructure Limited (RInfra)

(ii) **Individual**  
Shri Anil D. Ambani (Chairman)

**B. Other related parties with whom transactions have taken place during the year**

(i) **Enterprises over which Companies/ individual described in clause (A) above and clause (B) (ii) has control / significant influence.**

- (a) Reliance Communications Limited (RCOM)
- (b) Reliance Infocom Infrastructure Private Limited (RIIL)
- (c) Reliance Capital Limited (RCAP)
- (d) Reliance Commercial Finance Limited (RCFL)
- (e) Reliance Nippon Life Assets Management Limited (R Nippon) (upto July 02, 2017)
- (f) Reliance Nippon Life Insurance Co. Limited (R Nippon Life) (formerly known as Reliance Life Insurance Company Limited) (upto October 02, 2017)
- (g) Reliance General Insurance Company Limited (RGICL)
- (h) Reliance Big Entertainment Private Limited (RBEPL)
- (i) BSES Rajdhani Power Limited (BRPL)
- (j) BSES Yamuna Power Limited (BYPL)
- (k) Reliance Capital Trustee Co. Limited (Rcap Trustee)
- (l) Mulla & Mulla and Craigie Blunt & Caroe (Mulla & Mulla)

(ii) **Key Managerial Personnel**

**For Parent Company**

- (a) Shri Sateesh Seth (Director)
- (b) Shri Yogendra Narain (Director) (upto September 26, 2017)
- (c) Shri D. J. Kakalia (Director)
- (d) Smt. Rashna Khan (Director)
- (e) Shri V. K. Chaturvedi (Director) (upto April 12, 2017)
- (f) Shri K. Ravi Kumar (Director)
- (g) Shri N. Venugopala Rao (Whole-time Director – upto June 30, 2018) (Chief Executive Officer) (Chief Financial Officer) (upto May 01, 2018)
- (h) Shri Ramaswami Kalidas (Company Secretary) (upto June 07, 2017)
- (i) Shri Suresh Nagarajan (Chief Financial Officer) (upto February 16, 2018)
- (j) Shri K. Raja Gopal (Chief Executive Officer w.e.f. May 02, 2018) and (Whole-time-Director w.e.f. July 01, 2018)
- (k) Shri Murli M. Purohit (Company Secretary) (w.e.f. June 08, 2017)
- (l) Shri Shrenik R Vaishnav (Chief Financial Officer) (w.e.f. May 02, 2018)

(iii) **Entities over which parent/ group is having significant influence**

- (a) RPL Sun Power Private Limited (RSUNPPL)
- (b) RPL Photon Private Limited (RPHOTONPL)
- (c) RPL Sun Technique Private Limited (RSUNTPL)

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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

|                                     |   |  |                                     |   |                         | ₹ in lakhs     |
|-------------------------------------|---|--|-------------------------------------|---|-------------------------|----------------|
| SN                                  | Nature of transactions  | Investing parties having significant influence on the Group directly or indirectly [16 A(i)] | Key managerial personnel [16 B(ii)] | Enterprises over which Companies/ individual described in clause (A) above have control/ significant influences [16 B(i)] | Associates [16 B (iii)] | Total          |
| <b>Transactions during the year</b> |   |  |                                     |   |                         |                |
| 1                                   | Sale of energy (net of Rebate)  | <b>54,415</b>  | -                                   | <b>41,825</b>   | -                       | <b>96,240</b>  |
|                                     |   | 189,133  | -                                   | 42,081  | -                       | 231,214        |
| 2                                   | Interest on delayed payment   | <b>3,242</b>   | -                                   | -   | -                       | <b>3,242</b>   |
|                                     |   | 4,125  | -                                   | 1,856   | -                       | 5,981          |
| 3                                   | Interest income on inter corporate deposits                                       | <b>1,995</b>   | -                                   | <b>1,126</b>  | -                       | <b>3,121</b>   |
|                                     |   | -  | -                                   | 1,283   | -                       | 1,283          |
| 4                                   | Remuneration to key managerial personnel  |  |                                     |   |                         |                |
| a)                                  | Short Term employee benefits  | -  | <b>459</b>                          | -   | -                       | <b>459</b>     |
|                                     |   | -  | 377                                 | -   | -                       | 377            |
| b)                                  | Post employment defined benefits  | -  | -                                   | -   | -                       | -              |
|                                     |   | -  | 8                                   | -   | -                       | 8              |
| c)                                  | Leave encashment  | -  | -                                   | -   | -                       | -              |
|                                     |   | -  | 3                                   | -   | -                       | 3              |
| 5                                   | Reimbursement of expenses   | <b>239</b>   | -                                   | <b>3</b>  | -                       | <b>242</b>     |
|                                     |   | 203  | -                                   | 4   | -                       | 207            |
| 6                                   | Rent expenses   | <b>267</b>   | -                                   | -   | -                       | <b>267</b>     |
|                                     |   | 272  | -                                   | -   | -                       | 272            |
| 7                                   | Interest expenses towards Inter corporate deposits and non-convertible debentures | <b>7,842</b>   | -                                   | <b>8,289</b>  | -                       | <b>16,131</b>  |
|                                     |   | 5,269  | -                                   | 3,630   | -                       | 8,899          |
| 8                                   | Insurance premium   | -  | -                                   | <b>6,063</b>  | -                       | <b>6,063</b>   |
|                                     |   | -  | -                                   | 6,516   | -                       | 6,516          |
| 9                                   | Insurance claim received / accrued  | -  | -                                   | <b>1,839</b>  | -                       | <b>1,839</b>   |
|                                     |   | -  | -                                   | -   | -                       | -              |
| 10                                  | Advances given against EPC/ other contract  | -  | -                                   | -   | -                       | -              |
|                                     |   | 2,034  | -                                   | -   | -                       | 2,034          |
| 11                                  | Refund of Advances given against EPC/ other contract                              | <b>12,628</b>  | -                                   | -   | -                       | <b>12,628</b>  |
|                                     |   | -  | -                                   | -   | -                       | -              |
| 12                                  | Assets purchased  | <b>11</b>  | -                                   | -   | -                       | <b>11</b>      |
|                                     |   | 45   | -                                   | -   | -                       | 45             |
| 13                                  | Assets sold   | -  | -                                   | -   | -                       | -              |
|                                     |   | 431  | -                                   | 102   | -                       | 533            |
| 14                                  | Material and services received  | <b>1,530</b>   | -                                   | -   | -                       | <b>1,530</b>   |
|                                     |   | 4,970  | -                                   | -   | -                       | 4,970          |
| 15                                  | Short term borrowing received   | <b>161,699</b>   | -                                   | <b>32,177</b>   | -                       | <b>193,876</b> |
|                                     |   | 114,069  | -                                   | 4,500   | -                       | 118,569        |
| 16                                  | Short term borrowing refunded   | <b>80,366</b>  | -                                   | <b>23,168</b>   | -                       | <b>103,534</b> |
|                                     |   | 135,714  | -                                   | -   | -                       | 135,714        |
| 17                                  | Inter corporate deposit given   | <b>2,753</b>   | -                                   | -   | -                       | <b>2,753</b>   |
|                                     |   | 4,000  | -                                   | 22,995  | -                       | 26,995         |
| 18                                  | Inter corporate deposit received back   | -  | -                                   | -   | -                       | -              |
|                                     |   | -  | -                                   | 9,012   | -                       | 9,012          |
| 19                                  | Trade receivables written off   | -  | -                                   | <b>1,512</b>  | -                       | <b>1,512</b>   |
|                                     |   | -  | -                                   | -   | -                       | -              |

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

|                                       |  |  |                                     |   |                         | ₹ in lakhs     |
|---------------------------------------|--|--|-------------------------------------|---|-------------------------|----------------|
| SN                                    | Nature of transactions                                       | Investing parties having significant influence on the Group directly or indirectly [16 A(i)] | Key managerial personnel [16 B(ii)] | Enterprises over which Companies/ individual described in clause (A) above have control/ significant influences [16 B(i)] | Associates [16 B (iii)] | Total          |
| 20                                    | Payment of Retention balance                                 | <b>2,200</b>   | -                                   | -   | -                       | <b>2,200</b>   |
|                                       |  | -  | -                                   | -   | -                       | -              |
| 21                                    | Provision for ICD given (including interest accrued thereon) | -  | -                                   | <b>143,037</b>  | -                       | <b>143,037</b> |
|                                       |  | -  | -                                   | -   | -                       | -              |
| <b>Outstanding Closing Balances :</b> |  |  |                                     |   |                         |                |
| 22                                    | Financial liabilities  | <b>260,882</b>   | -                                   | <b>2,950</b>  | -                       | <b>263,832</b> |
|                                       |  | 245,399  | -                                   | 1,440   | -                       | 246,839        |
| 23                                    | Other current liability                                      | -  | -                                   | <b>3</b>  | -                       | <b>3</b>       |
|                                       |  | -  | -                                   | 1   | -                       | 1              |
| 24                                    | Retention payable towards EPC contract                       | <b>3,529</b>   | -                                   | -   | -                       | <b>3,529</b>   |
|                                       |  | 6,465  | -                                   | -   | -                       | 6,465          |
| 25                                    | Advances against EPC and other contracts                     | <b>126,925</b>   | -                                   | -   | -                       | <b>126,925</b> |
|                                       |  | 141,406  | -                                   | -   | -                       | 141,406        |
| 26                                    | Short term borrowing - Inter corporate deposits              | <b>110,448</b>   | -                                   | <b>57,677</b>   | -                       | <b>168,125</b> |
|                                       |  | 29,115   | -                                   | -   | -                       | 29,115         |
| 27                                    | Receivables -financial assets                                | <b>136,661</b>   | -                                   | <b>7,852</b>  | -                       | <b>144,513</b> |
|                                       |  | 133,440  | -                                   | 8,824   | -                       | 142,264        |
| 28                                    | Inter corporate deposits receivable                          | <b>21,756</b>  | -                                   | -   | -                       | <b>21,756</b>  |
|                                       |  | 19,000   | -                                   | 140,228   | -                       | 159,228        |
| 29                                    | Equity share capital contribution                            | @  | -                                   | -   | -                       | @              |
|                                       |  | @  | -                                   | -   | -                       | @              |
| <b>Capital Commitment :-</b>          |  |  |                                     |   |                         |                |
| 30                                    | Capital commitment   | <b>885,580</b>   | -                                   | -   | -                       | <b>885,580</b> |
|                                       |  | 1,719,445  | -                                   | -   | -                       | 1,719,445      |

@ Amount is below the rounding off norm adopted by the Group.

(Figures relating to current year are reflected in bold, relating to previous year are in unbold)

Details of material transactions: Sale of energy (net of Rebate) includes ₹ 54,415 lakhs to RInfra for March 31, 2019 (March 31, 2018: ₹ 189,133 lakhs), provision for ICD given includes ₹ 15,903 lakhs to RBEPL and ₹ 127,134 lakhs to RCOM (March 31, 2018: ₹ Nil to RBEPL and ₹ Nil to RCOM) and financial liabilities ₹ 260,882 lakhs to RInfra (March 31, 2018: ₹ 245,399 lakhs)

**Note**

- The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.
- Transactions and balances with related parties which are in excess of 10% of the total revenue and 10% of total network of the Group are considered as material transactions.
- During the year 2018-19, the Group has paid sitting fees of ₹ 1 lakh (March 31, 2018: ₹ Nil) to Individual mentioned in A (ii) above
- Transactions with related parties are made on terms equivalent to those that prevail in case of arm's length transactions.

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 17. Earnings per share

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>Profit available to equity shareholders</b>                                    |                              |                              |
| Profit / (Loss) for Basic and Diluted Earning per Share for Continuing Operations |                              |                              |
| Before effect of withdrawal from Scheme (A) (₹ in lakhs)                          | <b>(397,293)</b>             | 83,570                       |
| After effect of withdrawal from Scheme (B) (₹ in lakhs)                           | <b>(295,591)</b>             | 83,570                       |
| Profit / (Loss) of Discontinued Operations (C) (₹ in lakhs)                       | <b>409</b>                   | 475                          |
| Profit / (Loss) of Continued and Discontinued operations                          |                              |                              |
| Before effect of withdrawal from Scheme (D) (₹ in lakhs)                          | <b>(396,884)</b>             | 84,045                       |
| After effect of withdrawal from Scheme (E) (₹ in lakhs)                           | <b>(295,182)</b>             | 84,045                       |
| <b>Number of equity shares</b>  |                              |                              |
| Weighted average number of equity shares outstanding (F)                          | <b>2,805,126,466</b>         | 2,805,126,466                |
| Basic and diluted earnings per share for Continued Operations                     |                              |                              |
| Before effect of withdrawal from Scheme (A / F) (₹)                               | <b>(14.163)</b>              | 2.979                        |
| After effect of withdrawal from Scheme (B / F) (₹)                                | <b>(10.538)</b>              | 2.979                        |
| Basic and diluted earnings per share for Discontinued Operations (C / F) (₹)      | <b>0.015</b>                 | 0.017                        |
| Basic and diluted earnings per share for Continued and Discontinued Operations    |                              |                              |
| Before effect of withdrawal from Scheme (D / F) (₹)                               | <b>(14.149)</b>              | 2.996                        |
| After effect of withdrawal from Scheme (E / F) (₹)                                | <b>(10.523)</b>              | 2.996                        |
| Nominal value of an equity share (₹)  | <b>10</b>                    | 10                           |

### 18. Disclosure related to Oil & Gas and Coal Bed Methane (CBM) blocks

The Parent Company, through its subsidiaries, has acquired Participating Interest (PI) in Oil & Gas and Coal Bed Methane (CBM) blocks in India by executing Production Sharing Contract (PSC) with the Government of India. PI in Oil & Gas block in Mizoram is held by Reliance Prima Limited (R Prima), PI in two CBM blocks in Rajasthan is held by Atos Trading Private Limited (ATPL), PI in CBM block in Madhya Pradesh is held by Coastal Andhra Power Infrastructure Limited (CAPIL) and PI in CBM block in Andhra Pradesh is held by Atos Mercantile Private Limited (AMPL).

During the year, the Group has accounted for ₹ Nil (March 31, 2018: ₹ 61 lakhs) towards expenditure on survey and prospecting activities.

| Name of the Subsidiary                      | Name of the field   | Location                   | Participating interest (%) |
|---|---------------------|----------------------------|----------------------------|
| Coastal Andhra Power Infrastructure Limited | SP (N) CBM-2005/III | Sohagpur, Madhya Pradesh   | 45                         |
| Atos Mercantile Private Limited             | KG (E) CBM-2005/III | Kothagudem, Andhra Pradesh | 45                         |
| Atos Trading Private Limited                | BS (4) CBM-2005/III | Barmer, Rajasthan          | 45                         |
| Atos Trading Private Limited                | BS (5) CBM-2005/III | Barmer, Rajasthan          | 45                         |
| Reliance Prima Limited                      | MZ-ONN-2004 / 2     | Mizoram                    | 10                         |

Based on the statement of accounts of consortium, the subsidiaries have accounted for assets, liabilities, income and expenditure of Oil & Gas and Coal Bed Methane (CBM) blocks.

| Particulars                  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------|-------------------------|-------------------------|
| <b>Current assets</b>        |                         |                         |
| Inventories                  | <b>262</b>              | 339                     |
| Short term loan and advances | <b>359</b>              | 4                       |
| Cash and cash equivalent     | <b>3</b>                | 4                       |
| <b>Current liabilities</b>   |                         |                         |
| Other current liabilities    | <b>-</b>                | 1                       |

During the year 2013, PSC of Oil & Gas block in Mizoram, wherein R Prima (subsidiary of Reliance Power Limited) has a participating interest of 10%, was terminated by the Government of India pursuant to discovery of misrepresentation by the Operator of the block, M/s. Naftogaz India Private Limited. Pursuant to such termination, R Prima has represented to the Government of India that it was not aware about the misrepresentation of fact by Naftogaz India Private Limited whose credentials to act as Operator were accepted by the Government of India. Hence, no obligation can accrue to the Group in connection with the termination of the contract due to misrepresentation by the Operator.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

19. Income Taxes

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as under:

| (a) <b>Income tax recognised in Statement of Profit and Loss</b> <span style="float: right;">₹ in lakhs</span> |                |                |
|--|----------------|----------------|
| Particulars  | March 31, 2019 | March 31, 2018 |
| <b>Income tax expense</b>  |                |                |
| Current tax (net of earlier years)   | 5,626          | 20,048         |
| Deferred tax   | (3,848)        | (5,668)        |
| Income tax expense   | 1,778          | 14,380         |

| (b) <b>The reconciliation of tax expense and the accounting profit multiplied by tax rate :</b> <span style="float: right;">₹ in lakhs</span> |                 |                |
|---|-----------------|----------------|
| Particulars   | March 31, 2019  | March 31, 2018 |
| Profit/(Loss) before income tax expense   | (293,404)       | 98,425         |
| <b>Income tax expense at tax rates applicable to individual entity</b>  | <b>(55,997)</b> | <b>37,592</b>  |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income :  |                 |                |
| Expenses (admissible) / inadmissible under Income Tax Act (net)   | 47,871          | (6,644)        |
| Effect of finance lease reduction from lease receivable / recoverable from beneficiaries  | (17,015)        | (17,062)       |
| Effect of tax on account of available tax holiday under section 80IA of the Income tax Act, 1961  | (4,325)         | (38,590)       |
| Losses of subsidiaries on which no deferred tax asset was recognised / not admissible loss  | 32,961          | 15,623         |
| Minimum alternate tax on which no deferred tax recognised   | 5,449           | 19,871         |
| Deferred tax assets to extent of liability of earlier year recognised in current year   | (1,252)         | -              |
| Other items (net)   | (5,914)         | 3,590          |
| <b>Income tax expense</b>   | <b>1,778</b>    | <b>14,380</b>  |

| (c) <b>Tax liabilities (net of assets)</b> <span style="float: right;">₹ in lakhs</span> |                |                |
|--|----------------|----------------|
| Particulars  | March 31, 2019 | March 31, 2018 |
| Provision for income tax (advance tax) – Opening balances                                | 15,650         | 16,659         |
| Add: Current tax payable for the year  | 5,626          | 20,048         |
| Less: Taxes paid (net of refund)   | (2,762)        | (21,057)       |
| <b>Provision for income tax (advance tax) (Net) – Closing balances</b>                   | <b>18,514</b>  | <b>15,650</b>  |

| (d) <b>Deferred tax assets/ (Liabilities)</b> (Refer note 3.15) <span style="float: right;">₹ in lakhs</span> |                               |                  |                           |                  |
|---|-------------------------------|------------------|---------------------------|------------------|
| Particulars   | Property, plant and equipment | Government Grant | Finance lease receivables | Total            |
| At April 01, 2017   | (173,290)                     | 69,795           | (135,835)                 | (239,330)        |
| (Charged)/credited to profit and loss   | 7,249                         | (1,181)          | (400)                     | 5,668            |
| At April 01, 2018   | (166,041)                     | 68,614           | (136,235)                 | (233,662)        |
| (Charged)/credited to profit and loss   | 10,310                        | (8,347)          | 1,885                     | 3,848            |
| <b>At March 31, 2019</b>  | <b>(155,731)</b>              | <b>60,267</b>    | <b>(134,350)</b>          | <b>(229,814)</b> |

**Component on which Deferred tax asset not recognised:-**

Component on which deferred tax asset has not been recognised by the Group for the year ended March 31, 2019 includes unabsorbed depreciation ₹ 224,022 lakhs, business losses ₹ 70,552 lakhs and others ₹ 24,350 lakhs.

The Group also has unutilized unrecognized MAT credit of ₹ 137,029 lakhs for the year ended March 31, 2019.

| (e) <b>Unused tax*</b> <span style="float: right;">₹ in lakhs</span>  |                |                |
|---|----------------|----------------|
| Particulars   | March 31, 2019 | March 31, 2018 |
| Unused tax losses for which no deferred tax asset has been recognised | 318,924        | 240,636        |
| Potential tax benefit   | 96,675         | 76,627         |

(includes unabsorbed depreciation)

\*The unused tax losses were incurred which is not likely to generate taxable income in the foreseeable future.

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Year wise expiry of such losses as at March 31, 2019 is as under:

₹ in lakhs

| SN | Particulars                  | Amount of Loss |
|----|------------------------------|----------------|
| 1  | Expiring within 1 year       | 13,611         |
| 2  | Expiring within 1 to 5 years | 21,719         |
| 3  | Expiring within 5 to 8 years | 59,572         |
| 4  | Without expiry limit         | 224,022        |
|    | <b>Total</b>                 | <b>318,924</b> |

20. The information as required by para 35 of the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs) relating to certified emission rights issued by The Institute of Chartered Accountants of India are as follows:

₹ in lakhs

| SN | Particulars   | March 31, 2019 | March 31, 2018 |
|----|---|----------------|----------------|
| a) | No. of CERs held as inventory and the basis of valuation  | -              | -              |
| b) | No. of CERs under certification   | 69,671         | 82,718         |
| c) | Depreciation and operating & maintenance costs of emission reduction equipment expensed during the year | -              | -              |

21. Fair value measurements

(a) Financial instruments by category

₹ in lakhs

| Particulars                                    | As at March 31, 2019 |                  | As at March 31, 2018 |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | FVTPL                | Amortised cost   | FVTPL                | Amortised cost   |
| <b>Financial Assets</b>                        |                      |                  |                      |                  |
| Loans  | -                    | 67,707           | -                    | 300,610          |
| Finance lease receivable                       | -                    | 849,970          | -                    | 888,048          |
| Term deposit with more than 12 months maturity | -                    | 150,445          | -                    | 141,671          |
| Non current bank balances                      | -                    | 1,178            | -                    | 1,220            |
| Derivative assets                              | 11,875               | -                | 10,308               | -                |
| Investment in mutual funds                     | 22,366               | -                | 27,992               | -                |
| Trade receivables                              | -                    | 273,811          | -                    | 247,780          |
| Unbilled revenue                               | -                    | 10,916           | -                    | 7,680            |
| Cash and cash equivalents                      | -                    | 2,888            | -                    | 58,459           |
| Other bank balances                            | -                    | 24,225           | -                    | 33,190           |
| Government bond                                | -                    | 23               | -                    | 23               |
| Other financial assets                         | -                    | 66,927           | -                    | 20,229           |
| <b>Total financial assets</b>                  | <b>34,241</b>        | <b>1,448,090</b> | <b>38,300</b>        | <b>1,698,910</b> |
| <b>Financial liabilities</b>                   |                      |                  |                      |                  |
| Borrowings including accrued interest          | -                    | 3,095,837        | -                    | 3,190,787        |
| Retention money payable                        | -                    | 110,835          | -                    | 108,577          |
| Creditors for capital expenditure              | -                    | 254,657          | -                    | 247,223          |
| Derivative liabilities                         | 12,268               | -                | 12,376               | -                |
| Trade payables                                 | -                    | 42,744           | -                    | 36,071           |
| Creditors for supply and services              | -                    | 9,508            | -                    | 8,689            |
| Security deposit received                      | -                    | 151              | -                    | 514              |
| Unclaimed dividend                             | -                    | 299              | -                    | 300              |
| Other financial liabilities                    | -                    | 36,819           | -                    | 16,518           |
| <b>Total financial liabilities</b>             | <b>12,268</b>        | <b>3,550,850</b> | <b>12,376</b>        | <b>3,608,679</b> |

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The Group has not disclosed the fair values of financial instruments such as short-term trade receivables, trade payables, cash and cash equivalents, Fixed deposits, Security deposits etc. as carrying value is reasonable approximation of the fair values. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath table.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

₹ in lakhs

| Financial assets and liabilities measured at fair value measurements as at March 31, 2019                                | Level 1        | Level 2          | Level 3        | Total            |
|--|----------------|------------------|----------------|------------------|
| <b>Financial assets</b>  |                |                  |                |                  |
| <b>Financial Investments at FVTPL</b>  |                |                  |                |                  |
| Derivative assets  | -              | 11,875           | -              | 11,875           |
| Investments in mutual funds  | -              | 22,366           | -              | 22,366           |
| Government Bond  | 23             | -                | -              | 23               |
| <b>Total financial assets</b>  | <b>23</b>      | <b>34,241</b>    | <b>-</b>       | <b>34,264</b>    |
| <b>Financial liabilities</b>   |                |                  |                |                  |
| Derivative liabilities   | -              | 12,268           | -              | 12,268           |
| <b>Total financial liabilities</b>   | <b>-</b>       | <b>12,268</b>    | <b>-</b>       | <b>12,268</b>    |
| <b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2019</b> | <b>Level 1</b> | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>     |
| <b>Financial assets</b>  |                |                  |                |                  |
| Finance lease receivable   | -              | 910,364          | -              | 910,364          |
| Other financial assets   | -              | -                | 750            | 750              |
| <b>Total Financial Assets</b>  | <b>-</b>       | <b>910,364</b>   | <b>750</b>     | <b>911,114</b>   |
| <b>Financial Liabilities</b>   |                |                  |                |                  |
| Borrowings   | -              | 2,442,590        | 243,828        | 2,686,418        |
| <b>Total financial liabilities</b>   | <b>-</b>       | <b>2,442,590</b> | <b>243,828</b> | <b>2,686,418</b> |
| ₹ in lakhs   |                |                  |                |                  |
| Financial assets and liabilities measured at fair value measurements as at March 31, 2018                                | Level 1        | Level 2          | Level 3        | Total            |
| <b>Financial assets</b>  |                |                  |                |                  |
| <b>Financial Investments at FVTPL</b>  |                |                  |                |                  |
| Derivative assets  | -              | 10,308           | -              | 10,308           |
| Investments in mutual funds  | -              | 27,992           | -              | 27,992           |
| Government Bond  | 23             | -                | -              | 23               |
| <b>Total financial assets</b>  | <b>23</b>      | <b>38,300</b>    | <b>-</b>       | <b>38,323</b>    |
| <b>Financial liabilities</b>   |                |                  |                |                  |
| Derivative liabilities   | -              | 12,376           | -              | 12,376           |
| <b>Total financial liabilities</b>   | <b>-</b>       | <b>12,376</b>    | <b>-</b>       | <b>12,376</b>    |
| <b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2018</b> | <b>Level 1</b> | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>     |
| <b>Financial assets</b>  |                |                  |                |                  |
| Finance lease receivable   | -              | 1,030,915        | -              | 1,030,915        |
| Other financial assets   | -              | -                | 1,021          | 1,021            |
| <b>Total Financial Assets</b>  | <b>-</b>       | <b>1,030,915</b> | <b>1,021</b>   | <b>1,031,936</b> |
| <b>Financial Liabilities</b>   |                |                  |                |                  |
| Borrowings   | -              | 2,600,043        | 231,157        | 2,831,200        |
| <b>Total financial liabilities</b>   | <b>-</b>       | <b>2,600,043</b> | <b>231,157</b> | <b>2,831,200</b> |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### (c) Fair value of financial assets and liabilities measured at amortised cost

₹ in lakhs

| Fair value of financial assets and liabilities measured at amortised cost          | March 31, 2019   |                  | March 31, 2018   |                  |
|--|------------------|------------------|------------------|------------------|
|  | Carrying amount  | Fair value       | Carrying amount  | Fair value       |
| <b>Financial assets</b>  |                  |                  |                  |                  |
| Loans  | 40,870           | 40,870           | 36,597           | 36,597           |
| Finance lease receivables  | 849,970          | 910,364          | 888,049          | 1,030,915        |
| Security deposits  | -                | -                | 1,538            | 1,538            |
| Non-current bank balances (including margin money deposits towards bank guarantee) | 1,178            | 1,178            | 1,220            | 1,220            |
| Other financial assets   | 750              | 750              | 1,019            | 1,019            |
| Government Bond  | 23               | 27               | 23               | 23               |
| <b>Total financial assets</b>  | <b>892,791</b>   | <b>953,189</b>   | <b>928,446</b>   | <b>1,071,312</b> |
| <b>Financial Liabilities</b>   |                  |                  |                  |                  |
| Borrowings including accrued interest  | 2,201,942        | 2,686,418        | 2,808,573        | 2,831,200        |
| Retention money payable  | 3,965            | 3,965            | 169              | 169              |
| Creditors for capital expenditure  | -                | -                | -                | -                |
| <b>Total financial liabilities</b>   | <b>2,205,907</b> | <b>2,690,383</b> | <b>2,808,742</b> | <b>2,831,369</b> |

### (d) Valuation technique used to determine fair values

Specific valuation technique used to determine the fair values:

- Investment in mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue these units and will redeem such units of mutual fund to and from the investor.
- Interest rate swaps is calculated as the present value of the estimated future cash flows based on observable curves.
- Forward foreign exchange contracts is determined using Bloomberg forward contract pricing model, which determines fair value on a discontinued cash flow basis.
- Foreign currency option contracts is determined using the Black Scholes valuation model.
- Remaining financial instruments is determined using discounted cash flow analysis.

The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will be evaluated for their carrying amounts based on any change in the under-lying credit risk of the Group borrowing (since the date of inception of the loans).

For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

#### Note:

Level 1: Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

There are no transfers between any levels during the year.

The Group's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2019**
**22. Financial risk management**

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risk and credit risk.

| <b>Risk</b>                    | <b>Exposure arising from</b>   | <b>Measurement</b>          | <b>Management</b>  |
|--------------------------------|--|-----------------------------|--|
| Credit Risk                    | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost. | Ageing analysis             | Diversification of bank deposits, letters of credit                |
| Liquidity Risk                 | Borrowings and other liabilities   | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities    |
| Market risk – foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (INR)          | Sensitivity analysis        | Partly hedge by foreign exchange forward contracts and call spread |
| Market risk – interest rate    | Long-term borrowings at variable rates   | Sensitivity analysis        | Partly hedge by Interest rate swap                                 |

**(a) Credit risk**

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, financial assets, carried at amortised cost and deposits with banks and mutual funds, as well as credit exposures with trade customers towards sale of electricity as per the terms of PPA under respective state regulations and respective state distribution companies including outstanding receivables.

**Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group's credit risk arises from accounts receivable balances on sale of electricity is based on tariff rate approved by electricity regulator and inter-corporate deposits / loans are given to corporates. The credit risk is very low as the sale of electricity is based on the terms of the PPA which has been approved by the regulator. There is no change in the risk status of such corporates.

For deposits with banks and financial institutions, only highly rated banks / institutions are accepted. Generally all policies surrounding credit risk have been managed at Group level. The Company's policy to manage this risk is to invest in debt securities that have a good credit rating.

**(b) Liquidity risk**

- (i) Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

In respect of its existing operations, the Group funds its activities primarily through long-term loans secured against each power plant. In addition, each of the operating plants has working capital loans available to it which are renewable annually, together with certain intra-group loans. The Group objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group's liquidity management policy involves projecting cash flows with customers and by considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Periodic budgets and rolling forecasts are prepared at the level of operating subsidiaries as regular practice and in accordance with limits specified by the Group. There is delay / default in repayment of loans for ₹ 65,420 lakhs as at the end of the financial year. The Group has been pursuing proposed strategic transactions / sale of assets and overall financial restructuring, when executed, would make available the required liquidity for the continuing business and would also provide an extended maturity period for repayment of restructured balance debt.

**(ii) Maturities of financial liabilities**

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

₹ in lakhs

| March 31, 2019                             | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total            |
|--|------------------|----------------------------|-------------------|------------------|
| <b>Non-Derivative</b>                      |                  |                            |                   |                  |
| Interest bearing borrowing*                | 1,493,316        | 1,288,800                  | 1,561,639         | <b>4,343,755</b> |
| Trade payables                             | 42,744           | -                          | -                 | <b>42,744</b>    |
| Creditors for supplies and services        | 9,508            | -                          | -                 | <b>9,508</b>     |
| Creditors for capital expenditure          | 254,657          | -                          | -                 | <b>254,657</b>   |
| Retention money payable                    | 110,835          | -                          | -                 | <b>110,835</b>   |
| Others                                     | 37,269           | -                          | -                 | <b>37,269</b>    |
| <b>Total Non-Derivative</b>                | <b>1,948,329</b> | <b>1,288,800</b>           | <b>1,561,639</b>  | <b>4,798,768</b> |
| <b>Derivative liability</b>                |                  |                            |                   |                  |
| Forward exchange contract use for hedging: |                  |                            |                   |                  |
| Outflow                                    | 323              | 76,029                     | 22,472            | <b>98,824</b>    |
| Inflow                                     | (282)            | (63,385)                   | (19,001)          | <b>(82,668)</b>  |
| <b>Total Derivative Liabilities</b>        | <b>41</b>        | <b>12,644</b>              | <b>3,471</b>      | <b>16,156</b>    |

₹ in lakhs

| March 31, 2018                             | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total            |
|--|------------------|----------------------------|-------------------|------------------|
| <b>Non-Derivative</b>                      |                  |                            |                   |                  |
| Interest bearing borrowing*                | 984,426          | 1,730,526                  | 1,943,575         | 4,658,527        |
| Trade payables                             | 36,071           | -                          | -                 | 36,071           |
| Creditors for supplies and services        | 8,689            | -                          | -                 | 8,689            |
| Creditors for capital expenditure          | 247,223          | -                          | -                 | 247,223          |
| Retention money payable                    | 108,408          | 169                        | -                 | 108,577          |
| Others                                     | 17,334           | -                          | -                 | 17,334           |
| <b>Total Non-Derivative</b>                | <b>1,402,151</b> | <b>1,730,695</b>           | <b>1,943,575</b>  | <b>5,076,421</b> |
| <b>Derivative liability</b>                |                  |                            |                   |                  |
| Forward exchange contract use for hedging: |                  |                            |                   |                  |
| Outflow                                    | 698              | 43,160                     | 55,341            | 99,199           |
| Inflow                                     | (602)            | (35,192)                   | (45,546)          | (81,340)         |
| <b>Total Derivative Liabilities</b>        | <b>96</b>        | <b>7,968</b>               | <b>9,795</b>      | <b>17,859</b>    |

\*Includes contractual interest payments based on the interest rate prevailing at the reporting date.

### (c) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group holds monetary assets in the form of fixed deposit and advances in US Dollar. Further, it has long-term monetary liabilities which are in US dollar other than its functional currency.

While the Group has direct exposure to foreign exchange rate changes on the price of non Indian Rupee-denominated securities and borrowings, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of companies in which the Group invests. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Group's net assets attributable to holders of equity shares of future movements in foreign exchange rates.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

• **Foreign currency risk exposure**

The Group exposure to foreign currency risk (all in USD) at the end of the reporting period expressed in Rupees, are as follows:

₹ in lakhs

| Particulars                                 | March 31, 2019   | March 31, 2018   |
|---|------------------|------------------|
| <b>Financial liabilities</b>                |                  |                  |
| Borrowings                                  | 1,000,227        | 1,039,077        |
| Other                                       | 310,999          | 290,388          |
| <b>Gross foreign currency exposure</b>      | <b>1,311,226</b> | <b>1,329,465</b> |
| <b>Covered by hedging instruments</b>       |                  |                  |
| Forward contracts                           | 71,523           | 70,973           |
| Call spread                                 | 159,163          | 185,102          |
| Cross currency swap                         | -                | 7,470            |
| <b>Total Covered by hedging instruments</b> | <b>230,686</b>   | <b>263,545</b>   |
| <b>Net foreign currency exposure</b>        | <b>1,080,540</b> | <b>1,065,920</b> |

• **Sensitivity of foreign currency exposure**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in lakhs

| Particulars  | Impact on profit / (loss)<br>before tax / CWIP/ PPE** |                | Impact on equity |                |
|--|---|----------------|------------------|----------------|
|  | March 31, 2019  | March 31, 2018 | March 31, 2019   | March 31, 2018 |
| <b>USD sensitivity</b>                                       |   |                |                  |                |
| FX rate – increase by 6% on closing rate on reporting date * | (66,152)  | (56,895)       | (5,971)          | (7,619)        |
| FX rate – decrease by 6% on closing rate on reporting date*  | 64,601  | 55,837         | 5,971            | 7,619          |

\*Holding all other variables constant

\*\*The above impact has been assessed taking into consideration the accounting policy adopted by the Group for the accounting for foreign exchange differences. [Refer note 2.1(p) above]

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group's cash flow to interest rate risk.

The Group's fixed rate borrowings and inter corporate deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

• **Interest rate risk exposure**

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period is as follows:

₹ in lakhs

| Particulars                   | March 31, 2019 | March 31, 2018 |
|-------------------------------|----------------|----------------|
| Borrowings with variable rate | 1,538,106      | 1,664,911      |

• **Interest Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates for the next one year.

₹ in lakhs

| Particulars   | Impact on profit / (loss) before tax/ CWIP |                |
|---|--|----------------|
|   | March 31, 2019                             | March 31, 2018 |
| Interest Cost- increased by 5% on existing Interest Cost* | (7,494)                                    | (7,785)        |
| Interest Cost- decrease by 5% on existing Interest Cost*  | 7,494                                      | 7,785          |

\*Holding all other variables constant

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 23. Capital Management

#### (a) Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of total equity on a periodic basis. Equity comprises all components of equity including fair value impact and debt includes long-term and short-term loans. The following table summarizes the capital of the Group:

| ₹ in lakhs                        |                  |                  |
|-----------------------------------|------------------|------------------|
| Particulars                       | March 31, 2019   | March 31, 2018   |
| Equity (excluding other reserves) | 1,720,675        | 2,015,910        |
| Debt                              | 3,045,620        | 3,169,656        |
| <b>Total</b>                      | <b>4,766,295</b> | <b>5,185,566</b> |

### 24. Segment reporting

Presently, the Group is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Group's operations are predominantly confined in India.

#### Information about major customers

Revenue for the years ended March 31, 2019 and March 31, 2018 were from customers located in India. Customers include private distribution entities. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2019 and March 31, 2018 were as follows: [Refer note 2.1 (q)]

| ₹ in lakhs                              |                    |            |                |            |
|---|--------------------|------------|----------------|------------|
| Customer Name                           | For the Year ended |            |                |            |
|   | March 31, 2019     |            | March 31, 2018 |            |
|   | Revenue            | Percent    | Revenue        | Percent    |
| Uttar Pradesh Power Corporation Limited | 241,462            | 30%        | 326,012        | 34%        |
| MP Power Management Company Limited     | 173,477            | 21%        | 183,052        | 19%        |
| Reliance Infrastructure Limited         | 54,415             | 7%         | 176,185        | 18%        |
| <b>Total</b>                            | <b>469,354</b>     | <b>58%</b> | <b>685,249</b> | <b>71%</b> |

### 25. Government grants

- SPL is eligible for exemption of certain duties and taxes levied by GoI, which has been recognised in the books as government grant. [Refer note 2.1(bb) for further details]
- RPSCL is liable to pay entry tax on inter-state purchase of certain goods under "Uttar Pradesh Tax on Entry of Goods in Local Area Act, 2007". As per Uttar Pradesh Power Policy 2003 read with Notification 1770 dated July 05, 2004 issued by the GoUP, RPSCL is eligible for grant of a moratorium period of 9 years from the date of commencement of operation from payment of entry tax on each phase of the project. Accordingly, considering the said policy, RPSCL is filing the returns and would make the payments to the regulatory authorities on completion of moratorium period.
- RPSCL is liable to pay value added tax on purchase of goods under "Uttar Pradesh Value Added Tax Act, 2008". As per Uttar Pradesh Power Policy 2003 read with Notification 1772 dated July 05, 2004 issued by Government of Uttar Pradesh, RPSCL is eligible for grant of a moratorium period of nine years from the date of commencement of operation, for payment of Value added tax. Accordingly, considering the said policy, RPSCL is filing the returns and would make the payments to the regulatory authorities on completion of moratorium period.

RPSCL has been awarded the Government grant in the form of deferred payment benefits for entry tax and value added tax. The above two benefits have been accounted for as the Government grant. [Refer note 2.1(bb) for further details]

#### Given below are details of the movement of Government grant

| ₹ in lakhs                  |                      |                      |
|-----------------------------|----------------------|----------------------|
| Particulars                 | As at March 31, 2019 | As at March 31, 2018 |
| Opening balance             | 200,256              | 205,721              |
| Grants during the year      | -                    | 441                  |
| Released to profit and loss | (5,907)              | (5,907)              |
| <b>Closing balance</b>      | <b>194,349</b>       | <b>200,255</b>       |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## 26. Provision for Mine closure obligation (in case of SPL)

| Particulars                              | ₹ in lakhs              |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Balance as at beginning of the year      | 1,202                   | 934                     |
| Additions                                | 125                     | 144                     |
| Amount used/reversed                     | -                       | -                       |
| Unwinding of discount                    | 169                     | 124                     |
| <b>Balance as at the end of the year</b> | <b>1,496</b>            | <b>1,202</b>            |

Provision for mine closure obligation represents estimates made towards the expected expenditure for restoring the mining area and other obligatory expenses as per the approved mine closure plan. The timing of the outflow with regard to the said matter would be in a phased manner based on the progress of excavation of coal and consequential restoration cost.

## 27. Restatement / Revision of Accounts

- (i) RPSCL had filed a multi-year tariff (MYT) petition before Uttar Pradesh Electricity Regulatory Commission (UPERC) for (a) true up of tariff determined by UPERC vide earlier order dated March 28, 2011 in respect of Stage I for the period March 12, 2010 to March 31, 2014 (b) determination of final tariff of Stage II for the period April 01, 2012 to March 31, 2014 and (c) determination of tariff of Stage I and Stage II of Rosa TPP for the period April 01, 2014 to March 31, 2019.

UPERC passed the Tariff Order in the aforesaid petitions on August 22, 2017 rejecting various claims of RPSCL pursuant to the provisions of the Power Purchase Agreement (PPA). RPSCL filed a review petition with the UPERC and also preferred an appeal before APTEL on October 03, 2017 on the tariff determined/ true-up for the period March 12, 2010 to March 31, 2014. RPSCL also preferred a writ petition before Lucknow Bench of Hon'ble Allahabad High Court challenging the UPERC (Terms & Condition of Generation Tariff) Regulations, 2014, which was applied by UPERC for the tariff determined for the period April 01, 2014 to March 31, 2019. In respect of the review petition, UPERC issued Order on April 25, 2018 rejecting certain contentions of RPSCL.

Pending the appeal before APTEL and the writ petition before Lucknow Bench of Hon'ble Allahabad High Court, RPSCL has been recognizing revenues based on the UPERC Tariff Order dated March 28, 2011 and UPERC Order dated May 21, 2012.

Hon'ble Supreme Court, vide its Judgement dated April 19, 2018 in a similar matter has held that Regulations override the Power Purchase Agreement (PPA) unless a carve out within the Regulation enables the applicability of the PPA. Further, Hon'ble Supreme Court, vide its Judgement dated January 21, 2019 in another similar matter has held that unless the Regulations falls in the paradigm of manifest unreasonableness or arbitrariness and suffers from any constitutional or statutory uncertainty, the interference of the court is unwarranted.

In view of the above circumstances, RPSCL believes that revenue must be recognized as per the Tariff Order of UPERC dated August 22, 2017 subject only to the extent that the Regulations have a carve out relating to earlier PPAs. As the Supreme Court judgement would be held to lay down the law as it always was, effect of the same has also to be given in the Financial Statements of financial year 2017-18. The Company, therefore, filed a Writ Petition in the Hon'ble Bombay High Court for seeking liberty to file application under Section 131 of the Act along with the revised Financial Statements for financial year 2017-18 before National Company Law Tribunal (NCLT), Mumbai Bench. The Hon'ble Bombay High Court, has vide its order dated March 26, 2019, granted liberty to the Company to revise the Financial Statement of Accounts for the financial year 2017-18 in light of the ratio laid down by the Hon'ble Supreme Court in its recent orders dated April 19, 2018 and January 21, 2019 and seek the approval of the NCLT under section 131 of the Companies Act, 2013.

RPSCL has accrued revenue for the year ended March 31, 2019 based on the UPERC (Terms & Condition of Generation Tariff) Regulations, 2014 as stated above. This matter has been referred by the auditors in their report as an Emphasis of matter.

- (ii) In accordance with the terms and conditions of the Power Purchase Agreement (PPA), VIPL and Maharashtra Electricity Regulatory Commission (MERC)'s Multi-Year Tariff (MYT) Regulations, VIPL had filed a petition with MERC on March 03, 2016 for final true up of Annual Revenue Requirement (ARR) of financial year 2014-15, provisional true up of ARR of financial year 2015-16 and determination of tariff for financial year 2016-17 to financial year 2019-20. MERC, in its Order dated June 20, 2016, disallowed actual cost of coal claimed by the Company of ₹ 43,470 lakhs for the financial year 2014-15 and of ₹ 30,491 lakhs for the financial year 2015-16. In the said Order, MERC followed the same basis for the determining allowable cost of coal for the MYT for the period of financial year 2016-17 to financial year 2019-20.

Against the said Order of MERC, VIPL filed an appeal with APTEL. In its Judgment dated November 03, 2016, APTEL directed MERC to re-determine the tariff by allowing the pass through of actual cost of coal with a certain cap. Consequently, VIPL filed a petition on December 08, 2016 before MERC to implement the directions of APTEL.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

On January 03, 2017, MERC filed a civil appeal against the said Order of APTEL in Hon'ble Supreme Court of India. Subsequently, VIPL also filed a Mid Term Review Petition on December 21, 2017 before MERC based on the principles enumerated in APTEL Judgment dated November 03, 2016. Pending the adjudication of above referred matters, VIPL has recognised the revenue based on complete pass through of costs as per the terms of PPA and without considering disallowance pursuant to Order dated June 20, 2016 of MERC and accordingly in addition to the above further accrued ₹ 18,835 lakhs for financial year 2016-17 and ₹ 23,914 lakhs for financial year 2017-18 and ₹ 20,222 lakhs for the nine months ended December 31, 2018.

Subsequent to the civil appeal filed by MERC, Hon'ble Supreme Court, vide its Judgment dated April 11, 2017 has laid down the law with respect to non-availability/ supply of indigenous coal as Change in Law event, requiring passing through of the cost of coal procured from alternate sources in tariff. Further, in accordance with the ratio determined in the said Judgment of Hon'ble Supreme Court, MERC has granted relief in several similar matters of other power generating companies.

Consequently, upon the petitions filed by VIPL, MERC, vide its Order dated September 14, 2018 has directed VIPL to file a revised Mid Term Review Petition (MTR). With reference to the said MTR petition, MERC has held a public hearing on January 08, 2019, and has reserved the Order.

Pending the final Order from MERC in MTR Petition, VIPL considers it appropriate to revise its financial statement and to limit its recognition of revenue on the basis of principles enumerated by APTEL in its Judgment dated November 03, 2016 which continues to remain valid as no stay has been granted against it. As the Financial Statements for financial year 2017 -18 are based on complete pass through (as is presently claimed by the Company), VIPL believes it is appropriate to revise the Financial Statements of financial year 2017 -18 also so as to comply with Section 129 of the Companies Act, 2013 and the fundamental accounting assumption of prudence underlying the applicable Accounting Standards. The Hon'ble Bombay High Court, has vide its order dated March 26, 2019, granted liberty to the Company to revise the Financial Statement of Accounts for the financial year 2017-18 and seek the approval of the NCLT.

VIPL has accrued revenue for the year ended March 31, 2019 based on the principles enumerated in the judgment of APTEL dated November 03, 2016 as stated above. This matter has been referred by the auditors in their report as an Emphasis of matter.

Restatement effects of the above mentioned Notes are as under.

### i. Changes in the Balance Sheet as at March 31, 2018

| Particulars                    | ₹ in lakhs                            |                                       |
|--------------------------------|---------------------------------------|---------------------------------------|
|                                | As at<br>March 31, 2018<br>(Reported) | As at<br>March 31, 2018<br>(Restated) |
| <b>ASSETS</b>                  |                                       |                                       |
| Trade receivables              | 371,541                               | 247,780                               |
| Other Current Financial Assets | 33,806                                | 27,615                                |
| Total Assets                   | 6,347,346                             | 6,217,394                             |
| <b>EQUITY AND LIABILITIES</b>  |                                       |                                       |
| Other Equity                   | 1,967,664                             | 1,842,982                             |
| Current tax liabilities (net)  | 24,514                                | 19,244                                |
| Total Equity and Liabilities   | 6,347,346                             | 6,217,394                             |

### ii. Changes in the Statement of Profit and Loss for the year ended March 31, 2018

| Particulars   | ₹ in lakhs                                 |  |
|---|--|--|
|   | Year ended<br>March 31, 2018<br>(Reported) | Year ended<br>March 31, 2018<br>(Restated) |
| Revenue   |  |  |
| Revenue from continuing operations                            | 983,982                                    | 959,273                                    |
| Profit before tax (continuing and discontinuing operations)   | 123,134                                    | 98,425                                     |
| Current tax (continuing and discontinuing operations)         | 25,485                                     | 20,212                                     |
| Profit for the year (continuing and discontinuing operations) | 103,481                                    | 84,045                                     |
| Earnings per equity share:<br>(Face value of ₹ 10 each)       |  |  |
| - Basic / Diluted (₹)   | 3.689                                      | 2.996                                      |



## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## iii. Changes in Balance Sheet as at April 01, 2017

| ₹ in lakhs                                |                                       |                  |                                       |
|---|---------------------------------------|------------------|---------------------------------------|
| Particulars                               | As at<br>April 01, 2017<br>(Reported) | Restatement      | As at<br>April 01, 2017<br>(Restated) |
| <b>ASSETS</b>                             |                                       |                  |                                       |
| Trade receivables                         | 298,803                               | (99,053)         | 199,750                               |
| Other financial assets (Unbilled Revenue) | 32,690                                | (6,191)          | 26,499                                |
| <b>Total Assets</b>                       | <b>6,416,517</b>                      | <b>(105,244)</b> | <b>6,311,273</b>                      |
| <b>EQUITY AND LIABILITIES</b>             |                                       |                  |                                       |
| Other Equity                              | 1,856,245                             | (105,244)        | 1,751,001                             |
| <b>Total Equity and Liabilities</b>       | <b>6,416,517</b>                      | <b>(105,244)</b> | <b>6,311,273</b>                      |

28. In the case of SMPL, the area in which the plant is under construction includes land admeasuring 61 acres, owned by RInfra which is under possession of SMPL through Memorandum of Understanding. SMPL has obtained an affirmation from RInfra that the assets on the land is the property of SMPL.

29. The Parent Company, through its subsidiary Maharashtra Energy Generation Limited ("MEGL"), had signed Memorandum of Understanding with Government of Maharashtra (GoM) to set up 4,000 MW power project at Shahapur, Raigad District. MEGL expected that the Shahapur project will require 2,500 acres of land for the Power Project. However, the land acquisition procedures could not be completed within the stipulated period and hence MEGL informed the GoM, vide letter dated September 06, 2011, of its decision not to pursue the project. Based on the Honorable High Court Order dated February 07, 2013, MEGL has received ₹ 3,716 lakhs in the financial year ended March 31, 2013, out of the total advance of ₹ 4,360 lakhs paid to the GoM for acquisition of land. The balance amount of ₹ 644 lakhs receivable from the GoM is in the process of recovery. Shetkari Sangharsh Samitee has filed Special Leave Petition in the Honorable Supreme Court of India against the Company, requesting for the stay on the Bombay High Court Order, directing refund of MEGL deposits by the GoM.

Further MEGL had given an advance of ₹ 596 lakhs to the Land Owners towards direct purchase of land and has issued legal notice for the refund of the amount paid to them. As there are no operations in MEGL as of now, the financial statement have not been prepared on going concern basis accordingly, assets and liabilities have been stated at their net realisable value or cost, whichever is less.

Considering the above facts, the Group has classified assets related to projects under head 'Assets classified as held for sale' and profit of MEGL has been classified as profit from discontinued operations.

30. SMPL had entered into an Erection, Procurement and Construction Contract with RInfra in the year 2010. As a part of Contract, RInfra was procuring and supplying certain offshore equipment by importing from out of India considering that, 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, including duty of customs. However, Customs authorities and Customs, Excise and Service Tax Appellate Tribunal have not considered the exemption of custom duty and SMPL has filed an appeal before the Hon'ble Supreme Court of India claiming the benefits of Mega project. The Engineering Procurement and Construction (EPC) contract entered into with RInfra, is inclusive of all taxes and duties and hence such custom duty benefit, if granted under the aforesaid scheme will be passed on to RInfra.

Basis developments as detailed in note 7, during the year, SMPL has filed an appeal with Honorable Supreme Court praying for grant of extension for warehousing of goods, to RInfra, on behalf of SMPL without submission of Bank Guarantee as RInfra has already furnished adequate bond under Section 59 of Customs Act, 1962. Further, SMPL has requested the Court to permit SMPL or RInfra (on behalf of Company) to sell the goods out of India as per the provisions of Customs Act, 1962.

### 31. Corporate social responsibility (CSR)

The Group is required to spend ₹ 2,286 lakhs (March 31, 2018: ₹ 2,307 lakhs) towards CSR based on the profitability of respective subsidiaries and Parent Company. Against the said amount, the Group has spent ₹ 684 lakhs (March 31, 2018: ₹ 2,331 lakhs), towards promotion of education, healthcare and sanitation during the year in the respective entities.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 32. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined based on the information available with the Group and the required disclosure are given below.

₹ in lakhs

| Particulars  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| (a) The principal amount remaining unpaid to supplier as at the end of the accounting year   | 176                                  | -                                    |
| (b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year   | @                                    | -                                    |
| (c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year | -                                    | -                                    |
| (d) The amount of interest due and payable for the year  | -                                    | -                                    |
| (e) The amount of interest accrued and remaining unpaid at the end of the accounting year  | @                                    | -                                    |
| (f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid      | -                                    | -                                    |

@ Amount is below the rounding off norms adopted by the group

### 33. Ind AS Transition Facilitation Group (ITFG) of Ind AS implementation Committee of the Institute of the Chartered Accountants of India (the "ICAI") has issued clarification on July 31, 2017 and has inter alia made observations regarding method of estimating depreciation adopted for preparing standalone financial statements of the subsidiaries and for preparing consolidated financial statements. The Parent Company has received opinions from reputed legal and accounting firms stating that clarification issued by ITFG will not be applicable to it, as the Parent Company has been following different methods in subsidiaries and in Consolidated Financial Statements since inception and as required by Ind AS 101 read with Ind AS 16 has continued the methods of providing depreciation even under Ind AS regime. The Parent Company accordingly continued to provide depreciation in its Consolidated Financial Statements by straight line method, which is different as compared to the written down value method considered appropriate by two of its subsidiaries. This has been referred by the auditors in their report as a qualification.

### 34. Exceptional items

- During the year, the Parent Company has carried out impairment testing of its receivables and provided for impairment aggregating to ₹ 143,037 lakhs and considered the same as an exceptional item and adjusted by withdrawing ₹ 101,702 lakhs from General Reserve pursuant to the composite scheme of arrangement between the Company, Reliance Natural Resources Limited, erstwhile Reliance Futura Limited and four wholly owned subsidiaries viz. Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited approved by the Hon'ble High Court of Judicature of Mumbai vide order dated October 15, 2010 wherein the Company is permitted to offset any expenses or losses, which in the opinion of the Board of Directors are beyond the control of the Company. Had such provision of expenses not been met from General Reserve, the exceptional item for the year ended March 31, 2019 would have been increased by ₹ 101,702 lakhs and consequently, loss after tax for the year would have been higher by ₹ 101,702 lakhs for the year ended March 31, 2019. This matter has been referred by the auditors in their audit report as an Emphasis of Matter.
- RSTEPL and SMPL carried out impairment testing of Property, plant and equipments and other assets considering overall situations and accordingly, as required, provided for the impairment to the Statement of Profit and Loss for year ended March 31, 2019. RSTEPL and SMPL based on the valuation exercise carried out by independent experts, have provided ₹ 141,900 lakhs and ₹ 27,640 lakhs respectively for impairment of PPE on March 31, 2019, as a result of gas based power projects being stranded due to non-availability of gas, in line with a large number of gas based power projects.
- RPSCL has written off certain receivables aggregating to ₹ 49,205 lakhs and RNRL Singapore has provided for impairment of receivables aggregating to ₹ 55,237 lakhs during year ended March 31, 2019. The said amounts written off and provisions for impairment of receivables have been considered as exceptional items for the year ended March 31, 2019.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## 35. Delay / Default in repayment of Borrowings (Non-current) and Interest

The Group has delayed / defaulted in the payment of dues to the banks and financial institutions. The lender wise details are as under:

| SN           | Name of Lender  | Borrowings  |                       |                              |                       | Interest  |                       |                              |                       |
|--------------|---|---|-----------------------|------------------------------|-----------------------|---|-----------------------|------------------------------|-----------------------|
|              |   | Delay in repayment during the year ended March 31, 2019 |                       | Default as at March 31, 2019 |                       | Delay in repayment during the year ended March 31, 2019 |                       | Default as at March 31, 2019 |                       |
|              |   | Amount (₹ in lakhs)                                     | Period (Maximum days) | Amount (₹ in lakhs)          | Period (Maximum days) | Amount (₹ in lakhs)                                     | Period (Maximum days) | Amount (₹ in lakhs)          | Period (Maximum days) |
| I            | <b>Loan from Banks</b>  |   |                       |                              |                       |   |                       |                              |                       |
| 1            | Axis Bank   | 20,777  | 91                    | 2,968                        | 59                    | 2,804   | 91                    | 1,145                        | 60                    |
| 2            | Yes Bank  | 17,600  | 84                    | 9,876                        | 59                    | 6,843   | 86                    | 1,030                        | 58                    |
| 3            | Lakshmi Vilas Bank  | 125   | 33                    | 63                           | 1                     | 666   | 43                    | 210                          | 31                    |
| 4            | State Bank of India   | 14,573  | 87                    | 1,000                        | 1                     | 10,174  | 89                    | 1,910                        | 32                    |
| 5            | Syndicate Bank  | 3,259   | 89                    | 300                          | 1                     | 2,315   | 89                    | 754                          | 60                    |
| 6            | IDBI Bank   | 6,169   | 60                    | -                            | -                     | 3,057   | 76                    | -                            | -                     |
| 7            | Bank of Baroda  | 761   | 60                    | -                            | -                     | 410   | 76                    | -                            | -                     |
| 8            | State Bank of Mysore  | 357   | 60                    | -                            | -                     | 246   | 75                    | -                            | -                     |
| 9            | ICICI Bank  | 5,000   | 84                    | -                            | -                     | 1,038   | 63                    | -                            | -                     |
| 10           | Punjab National Bank  | 755   | 23                    | -                            | -                     | 366   | 76                    | -                            | -                     |
| 11           | Bank of Maharashtra   | 1,200   | 89                    | 400                          | 1                     | 1,664   | 89                    | 1,005                        | 60                    |
| 12           | Vijaya Bank   | 600   | 89                    | 200                          | 1                     | 671   | 89                    | 502                          | 60                    |
| 13           | State Bank of Travancore  | 177   | 87                    | 59                           | 1                     | 348   | 89                    | 113                          | 32                    |
| 14           | Oriental Bank of Commerce   | 354   | 89                    | 177                          | 1                     | 604   | 89                    | 444                          | 60                    |
| 15           | Axis Bank Dubai   | 8,287   | 89                    | 4,079                        | 1                     | 831   | 89                    | 432                          | 60                    |
| 16           | Syndicate Bank – London   | 222   | 25                    | -                            | -                     | 76  | 23                    | -                            | -                     |
| 17           | Allahabad Bank – Hong – Kong  | 222   | 42                    | -                            | -                     | 76  | 40                    | -                            | -                     |
| 18           | IDBI Bank – Dubai   | 520   | 25                    | -                            | -                     | 199   | 25                    | -                            | -                     |
| 19           | Axis Bank – Hong Kong   | 1,769   | 85                    | -                            | -                     | 637   | 84                    | -                            | -                     |
| 20           | ICICI Bank – Bahrain  | 4,407   | 47                    | -                            | -                     | 1,909   | 67                    | -                            | -                     |
| 21           | US Exim   | 42,839  | 181                   | 42,035                       | 181                   | 5,564   | 181                   | 4,764                        | 181                   |
| 22           | Asian development bank (ADB)  | 4,689   | 74                    | 2,468                        | 83                    | 3,993   | 36                    | 452                          | 6                     |
| 23           | Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) Sr Debt  | 2,272   | 44                    | 1,137                        | 83                    | 2,900   | 36                    | -                            | -                     |
| 24           | Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) Sub-debt | -   | -                     | 158                          | 53                    | -   | -                     | 319                          | 53                    |
| II           | <b>Loan from Financial Institutions</b>   | 500   | 129                   | 500                          | 129                   | 348   | 129                   | 348                          | 129                   |
| <b>Total</b> |   | <b>137,434</b>  |                       | <b>65,420</b>                |                       | <b>47,739</b>   |                       | <b>13,428</b>                |                       |

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

36. In case of SMPL, during the year, it could not make payment of instalments amounting to USD 63,933,820 (including interest of USD 6,297,621) and consequentially there has been an event of default as per the terms of agreement with US Exim. SMPL and the Parent Company (as sponsor guarantor) received a notice dated April 02, 2019 for demand of full outstanding balance immediately. Subsequently on May 07, 2019 on payment of overdue interest, US Exim bank agreed to restructure the loan.

In the case of SMPL, after considering the significant likelihood of SMPL selling one of its modules (745 MW) of gas based power plant to Reliance Bangladesh LNG & Power Ltd. (RBLPL), which is in the process of executing its initialed project agreements (i.e. Power Purchase Agreement, Implementation Agreement, Land Lease Agreement and Gas Supply Agreement) with the Govt. of Bangladesh authorities and implement its projects, US Exim has in principle agreed to restructure its term loan whereby outstanding principal would be paid in three equal annual instalments starting from June 30, 2020. US Exim requires completion of certain conditions by May 31, 2019. SMPL and its lawyers are in active discussion to complete the documentation process and SMPL expects that lender will not be demanding the loan to be repayable immediately and the restructuring process would be completed soon. Considering that not all the specified conditions have been completed by May 31, 2019, the full outstanding balance has been classified as current liabilities in the financial statements.

For balance two modules (1508 MW) of gas based power plant equipment, SMPL along with US Exim is evaluating options to sell and is in the process of appointing internationally reputed marketing agent.

Considering these plans, including relocation of one module to Bangladesh, plan to sell two modules and support from the Parent Company, SMPL would be able to meet its financial obligations and has prepared its Financial Statements on a going concern basis. The auditors of SMPL have referred this matter in the "material uncertainties related to going concern" paragraph in their audit report.

37. In the case of RSTEPL, in view of defaults in the payment of principal repayment (₹ 3,707 lakhs) and in the payment of interest repayment (₹ 319 lakhs) due during the year, part of which has been discharged after the end of the year, the Lenders have a right to declare the loan fully payable immediately. The lenders have not called upon RSTEPL to repay the loan.

However, RSTEPL has disclosed full loan as current liabilities considering terms of the agreement. RSTEPL is actively engaged with the lenders for restructuring the terms of the loan and is confident that the same would be completed in near future. The repayment of future loan instalments (including interest) is partly dependent on financial assistance from the Parent Company.

Considering the above, RSTEPL Financial Statements are prepared on a going concern basis based on the management assessment of restructuring of the loan terms and support from the Parent Company. The auditors of RSTEPL have referred this matter in the "material uncertainties related to going concern" paragraph in their audit report.

38. RPL Solar Power Private Limited, RPL Sunlight Power Private Limited, RPL Surya Power Private Limited, RPL Solaris Power Private Limited and Vinayak Ventures Private Limited have lent an amount aggregating to ₹ 38,456 lakhs to the Parent Company during the year. The Parent Company does not have any influence on the directors on the operations of the said companies and hence, does not regard the said companies as related parties. However, the Audit Committee at its meeting held on June 08, 2019 has out of abundant caution and in compliance with the highest standards of corporate governance considered and ratified the transactions. The matter has been referred to by the auditors in their audit report as a qualification.

39. As at March 31, 2019, the current liabilities of the Group exceed the current assets. The Group is confident of restructuring the loans consequent to which there would be no mismatch in the cash flows. Even otherwise the Group expects to generate sufficient and timely cash flows through time bound monetization of gas based power plant equipments and other assets of certain subsidiaries as also realize amount from regulatory/ arbitration claims. Notwithstanding the dependence on material uncertain events including finalization of restructuring of lending arrangements, sale of equipment and favourable and timely outcome of various claims, the Group is confident that such cash flows would enable it to service its debt, realize its assets and discharge its liabilities in the normal course of its business. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

40. (a) In case of VIPL, Power Purchase Agreement (PPA) with Adani Electricity Mumbai Limited (AEML) has been approved by Maharashtra Electricity Regulatory Commission (MERC) pursuant to Section 86 of the Electricity Act, wherein the tariff is determined by MERC pursuant to provisions of Section 62 of the said Act. Tariff determined under Section 62 provides for complete pass-through of fuel costs. However, due to short supply of coal by Western Coalfields Limited under Fuel Supply Agreement for Unit 2 (300 MW) and also due to delay in conversion of Letter of Assurance (LoA) into FSA for Unit 1 (300 MW), the Company had to resort to market sources of coal (e-auction / imported coal) to operate the plant at normative availability. MERC, vide its order dated June 20, 2016, disallowed recovery of additional cost of purchasing coal from market sources, which was in excess of cost of linkage coal. VIPL appealed against the said order of MERC in Appellate Tribunal of Electricity (APTEL). On November 03, 2016, APTEL allowed the VIPL's appeal in this regard and allowed recovery of actual fuel costs for Unit 1, subject to ceiling of fuel costs incurred for Unit 2. In April 2017, Hon'ble Supreme Court, in its order in Energy Watchdog matter, recognized decisions by Govt. of India and consequent changes in New Coal Distribution Policy (NCDP), 2007; which led to short supply of linkage coal under FSAs signed by Coal India subsidiaries or non-signing of FSAs; as Change in Law. Relying on the said order of the Hon'ble Supreme Court and several regulatory commissions (including MERC) have given relief to Independent Power Projects in the country in terms of pass-through of actual fuel costs incurred due to purchase of coal from market sources.

Based on the above facts, VIPL through a Mid-Term Review (MTR) petition, has approached MERC for allowing full recovery of coal costs in the variable charge for the period starting from Commercial Operation Date (COD) to till date and for the future period as well.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

VIPL is expecting a favorable MERC order and securitization of the receivables, which become recoverable based on the MERC order (mainly representing past fuel cost under-recoveries including carrying costs), would provide VIPL with necessary liquidity to make the debt service current and support sustained plant operations moving forward. It is pertinent to mention that in order to achieve long-term security of fuel for Unit 1, VIPL participated in the second round of e-auction conducted under clause B(ii) of the SHAKTI policy and was provisionally allocated certain annual quantity of coal and after completing due process as defined under the SHAKTI policy, FSA for Unit 1 will be executed. With this, both 300 MW units of VIPL (total 600 MW) have achieved long-term security of fuel supply.

Considering the above facts, VIPL's financial statements have been prepared on a going concern assumption.

- (b) SKHPPL, PHPPL and LHPPL have surrendered the project to Government of Himanchal Pradesh (GoHP) and received refund of upfront premium of ₹ 10,680 lakhs. AHPPL, MHPPL and EHPPL have been served notice of termination by Government of Andhra Pradesh (GoAP) and these companies have lodged protest against such notice of termination. Also in case of TPPL and SPPL due to revision in the project levels by GoHP, the revised power potential study has been submitted to GoHP for approval.

**41. Discontinuing operations**

Discontinuing operations represent Dadri Project and Maharashtra Energy Generation Limited. Details of discontinuing business of subsidiaries are as under:-

| Particulars       | Year ended     |                |
|-------------------|----------------|----------------|
|                   | March 31, 2019 | March 31, 2018 |
| Income            | 412            | 481            |
| Expenses          | -              | 1              |
| Profit before tax | 412            | 480            |
| Tax expenses      | 3              | 5              |
| Profit after tax  | 409            | 475            |

| Particulars | As at          | As at          |
|-------------|----------------|----------------|
|             | March 31, 2019 | March 31, 2018 |
| Assets      | 13,156         | 12,744         |
| Liabilities | @              | 1              |

@ ₹ 23,000

**42. Offsetting of financial assets and financial liabilities**

The following table presents the derivative financial instruments that are offset as at March 31, 2019 and March 31, 2018 where as per the terms of the agreement the net position owing / receivable to a single counter party in the same currency has been offset and presented at net amount in the balance sheet.

| ₹ in lakhs                   |               |                                       |  |
|------------------------------|---------------|---------------------------------------|--|
| Particulars                  | Gross amounts | Gross amount set-off in balance sheet | Net balance presented in balance sheet |
| <b>As at March 31, 2019</b>  |               |                                       |  |
| <b>Financial Liabilities</b> |               |                                       |  |
| Derivative Liabilities       | 12,588        | (320)                                 | 12,268                                 |
| <b>Total</b>                 | <b>12,588</b> | <b>(320)</b>                          | <b>12,268</b>                          |
| <b>Financial Assets</b>      |               |                                       |  |
| Derivative Assets            | 12,195        | (320)                                 | 11,875                                 |
| <b>Total</b>                 | <b>12,195</b> | <b>(320)</b>                          | <b>11,875</b>                          |
| <b>As at March 31, 2018</b>  |               |                                       |  |
| <b>Financial liabilities</b> |               |                                       |  |
| Derivative liabilities       | 13,240        | (864)                                 | 12,376                                 |
| <b>Total</b>                 | <b>13,240</b> | <b>(864)</b>                          | <b>12,376</b>                          |
| <b>Financial assets</b>      |               |                                       |  |
| Derivative assets            | 11,170        | (862)                                 | 10,308                                 |
| <b>Total</b>                 | <b>11,170</b> | <b>(862)</b>                          | <b>10,308</b>                          |

- 43.** The figures for the previous year are re-casted / re-grouped, wherever necessary.

# Reliance Power Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 44. Disclosure pursuant to para 44 A to 44 E of Ind AS 7 – Statement of cash flows

| ₹ in lakhs   |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
| <b>Long term Borrowings</b>                        |                              |                              |
| Opening Balance                                    |                              |                              |
| – Non Current                                      | 2,392,655                    | 2,602,271                    |
| – Current  | 367,322                      | 299,067                      |
| Availed during the year/period                     | 1,080                        | 282,961                      |
| Long term borrowings reclassified under short term | (372,785)                    | –                            |
| <b>Impact of Non Cash Item</b>                     |                              |                              |
| – Impact of Effective Rate of Interest             | 4,587                        | 9,282                        |
| Repaid During the year/period                      | (337,109)                    | (432,619)                    |
| Foreign Exchange Adjustment                        | 71,014                       | (985)                        |
| <b>Closing Balance</b>                             | <b>2,126,765</b>             | <b>2,759,977</b>             |
| – Non Current                                      | 1,784,136                    | 2,392,655                    |
| – Current  | 342,628                      | 367,322                      |
| <b>Short term Borrowings</b>                       |                              |                              |
| Opening Balance                                    | 382,214                      | 364,464                      |
| Availed during the year/period*                    | 148,896                      | 17,750                       |
| Long term borrowings reclassified under short term | 372,785                      | –                            |
| Repaid During the year/period                      | (10,000)                     | –                            |
| <b>Closing Balance</b>                             | <b>893,895</b>               | <b>382,214</b>               |
| <b>Interest Expenses</b>                           |                              |                              |
| Interest Accrued–Opening Balance                   | 21,132                       | 16,190                       |
| Interest charge as per statement of Profit & Loss  | 320,849                      | 292,597                      |
| Interest Included in CWIP                          | 7,061                        | 11,492                       |
| <b>Changes in Fair Value</b>                       |                              |                              |
| – Unwinding and EIR Adjustment                     | (7,422)                      | (9,406)                      |
| – Fair Value Adjustment                            | 1,674                        | 9,439                        |
| – Gain on Derivative assets (net)                  | (6,328)                      | –                            |
| Interest paid to lenders                           | 286,749                      | 299,180                      |
| Interest Accrued–Closing Balance                   | 50,217                       | 21,132                       |

\* Includes encashment of bank guarantee of ₹ 17,783 lakhs

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## 45. Additional information, as required under Schedule III to the Act.

| SN | Name of Company                           | Net assets i.e. total assets minus total liabilities |            |                                 | Share in profit or (loss) (PAT)       |            |                                       | Share in other comprehensive Income |                                       |            | Share in total comprehensive Income   |            |                                       |        |       |          |        |
|----|---|--|------------|---------------------------------|---------------------------------------|------------|---------------------------------------|-------------------------------------|---------------------------------------|------------|---------------------------------------|------------|---------------------------------------|--------|-------|----------|--------|
|    |   | March 31, 2019                                       |            |                                 | March 31, 2018                        |            |                                       | March 31, 2019                      |                                       |            | March 31, 2018                        |            |                                       |        |       |          |        |
|    |   | As % of consolidated net assets                      | ₹ in lakhs | As % of consolidated net assets | As % of consolidated profit or (loss) | ₹ in lakhs | As % of consolidated profit or (loss) | ₹ in lakhs                          | As % of consolidated profit or (loss) | ₹ in lakhs | As % of consolidated profit or (loss) | ₹ in lakhs | As % of consolidated profit or (loss) |        |       |          |        |
| 1  | Parent Company:<br>Reliance Power Limited | 35.51%   | 1,285,565  | 41.19%                          |                                       | 1,776,409  | 0.22%                                 | (60,165)                            | 20.77%                                |            | 225                                   |            | 98,574                                | 99.53% |       | 98,799   | 49.61% |
| 2  | Indian Subsidiaries:<br>RPSCL             | 12.56%   | 454,491    | 10.07%                          |                                       | 434,285*   | 58.06%                                | 21,115                              | -7.29%                                |            | 58,520*                               | 0.01%      | (23)                                  | 0.06%  |       | 58,580*  | 29.42% |
| 3  | DSPL                                      | 1.61%  | 58,134     | 1.35%                           |                                       | 58,369     | 3.36%                                 | (236)                               | 0.08%                                 |            | 3,389                                 | 0.00%      | 1                                     | 0.00%  | 60    | 3388     | 1.70%  |
| 4  | VPL                                       | 4.33%  | 156,869    | 3.78%                           |                                       | 162,968*   | 13.08%                                | (6,243)                             | 2.16%                                 |            | 13,179*                               | -0.01%     | 26                                    | -0.07% | (1)   | 13,105*  | 6.58%  |
| 5  | SPL                                       | 44.66%   | 1,616,745  | 35.79%                          |                                       | 1,586,928  | 49.17%                                | 29,890                              | -10.32%                               |            | 49,555                                | 0.02%      | (71)                                  | -0.19% | (190) | 49,364   | 24.79% |
| 6  | JPL                                       | 0.00%  | 0          | 0.00%                           | 15                                    |            | -                                     | -                                   | 0.00%                                 |            | -                                     | 0.00%      | -                                     | 0.00%  | -     | -        | 0.00%  |
| 7  | CAPL                                      | -0.02%   | (807)      | 0.00%                           | 149                                   |            | 0.33%                                 | (956)                               | 0.33%                                 |            | (302)                                 | 0.00%      | -                                     | 0.00%  | -     | (302)    | -0.15% |
| 8  | CPPL                                      | -0.10%   | (3,569)    | 0.02%                           | 687                                   |            | 1.47%                                 | (4,256)                             | 1.47%                                 |            | (129)                                 | 0.00%      | -                                     | 0.00%  | -     | (129)    | -0.07% |
| 9  | RCGL                                      | 0.09%  | 3,207      | 0.16%                           | 6,897                                 |            | 1.27%                                 | (3,690)                             | 1.27%                                 |            | (593)                                 | 0.00%      | -                                     | 0.00%  | -     | (593)    | -0.30% |
| 10 | MPL                                       | 0.00%  | (2)        | 0.00%                           | (2)                                   |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (0)                                   | 0.00%      | -                                     | 0.00%  | -     | (0)      | 0.00%  |
| 11 | RSRPL                                     | 0.00%  | (3)        | 0.00%                           | (3)                                   |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (0)                                   | 0.00%      | -                                     | 0.00%  | -     | (0)      | 0.00%  |
| 12 | SWPL                                      | -0.04%   | (162,491)  | -0.03%                          | (127,046)                             |            | 12.24%                                | (35,458)                            | 12.24%                                |            | (10,223)                              | 0.00%      | 13                                    | -0.02% | (16)  | (10,240) | -5.14% |
| 13 | RSTEPL                                    | -0.40%   | (14,593)   | 3.10%                           | 133,751                               |            | 51.26%                                | (148,479)                           | 51.26%                                |            | (424)                                 | 0.00%      | 2                                     | 0.00%  | -     | (424)    | -0.21% |
| 14 | RWPPL                                     | 0.00%  | 1          | 0.00%                           | 1                                     |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (0)                                   | 0.00%      | -                                     | 0.00%  | -     | (0)      | 0.00%  |
| 15 | RCRL                                      | 0.36%  | 13,088     | 0.30%                           | 12,776                                |            | -0.11%                                | 307                                 | -0.11%                                |            | (1,113)                               | 0.00%      | 3                                     | 0.00%  | -     | (1,113)  | -0.56% |
| 16 | RNRL                                      | -0.20%   | (7,324)    | -0.05%                          | (2,117)                               |            | 1.80%                                 | (5,207)                             | 1.80%                                 |            | (3,701)                               | 0.00%      | -                                     | 0.00%  | -     | (3,701)  | -1.86% |
| 17 | RGTPL                                     | 0.00%  | (51)       | 0.00%                           | (51)                                  |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (0)                                   | 0.00%      | -                                     | 0.00%  | -     | (0)      | 0.00%  |
| 18 | MEGL                                      | 0.04%  | 1,464      | 0.03%                           | 1,454                                 |            | 0.00%                                 | 10                                  | 0.00%                                 |            | 8                                     | 0.00%      | -                                     | 0.00%  | -     | 8        | 0.00%  |
| 19 | SHPL                                      | 0.00%  | 119        | 0.02%                           | 753                                   |            | 0.22%                                 | (636)                               | 0.22%                                 |            | (140)                                 | 0.00%      | 2                                     | 0.00%  | 0     | (140)    | -0.07% |
| 20 | THPL                                      | -0.01%   | (400)      | 0.08%                           | 3,417                                 |            | 1.32%                                 | (3,817)                             | 1.32%                                 |            | (222)                                 | 0.00%      | -                                     | 0.00%  | -     | (222)    | -0.11% |
| 21 | KPPL                                      | 0.17%  | 6,131      | 0.25%                           | 10,730                                |            | 1.59%                                 | (4,601)                             | 1.59%                                 |            | (472)                                 | 0.00%      | -                                     | 0.00%  | -     | (472)    | -0.24% |
| 22 | USHPPL                                    | 0.01%  | 483        | 0.01%                           | 483                                   |            | 0.00%                                 | (1)                                 | 0.00%                                 |            | (1)                                   | 0.00%      | -                                     | 0.00%  | -     | (1)      | 0.00%  |
| 23 | AHPPL                                     | 0.00%  | (36)       | 0.00%                           | (36)                                  |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | 2                                     | 0.00%      | -                                     | 0.00%  | -     | 2        | 0.00%  |
| 24 | EHPPL                                     | 0.00%  | (17)       | 0.00%                           | (17)                                  |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | 1                                     | 0.00%      | -                                     | 0.00%  | -     | 1        | 0.00%  |
| 25 | MHPPL                                     | 0.00%  | 2          | 0.00%                           | 2                                     |            | 0.00%                                 | 0                                   | 0.00%                                 |            | (0)                                   | 0.00%      | -                                     | 0.00%  | -     | (0)      | 0.00%  |
| 26 | PHPL                                      | 0.16%  | 5,950      | 0.14%                           | 5,950                                 |            | 0.00%                                 | 0                                   | 0.00%                                 |            | (51)                                  | 0.00%      | -                                     | 0.00%  | -     | (51)     | -0.03% |
| 27 | TPPL                                      | 0.05%  | 1,855      | 0.04%                           | 1,855                                 |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (16)                                  | 0.00%      | -                                     | 0.00%  | -     | (16)     | -0.01% |
| 28 | SPPL                                      | 0.02%  | 866        | 0.02%                           | 866                                   |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (8)                                   | 0.00%      | -                                     | 0.00%  | -     | (8)      | 0.00%  |
| 29 | LHPPL                                     | 0.06%  | 2,060      | 0.05%                           | 2,060                                 |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (18)                                  | 0.00%      | -                                     | 0.00%  | -     | (18)     | -0.01% |
| 30 | SKHPPL                                    | 0.07%  | 2,578      | 0.06%                           | 2,579                                 |            | 0.00%                                 | (0)                                 | 0.00%                                 |            | (22)                                  | 0.00%      | -                                     | 0.00%  | -     | (22)     | -0.01% |
| 31 | CAPL                                      | -0.02%   | (628)      | 0.00%                           | 167                                   |            | 0.27%                                 | (795)                               | 0.27%                                 |            | (255)                                 | 0.00%      | -                                     | 0.00%  | -     | (255)    | -0.13% |

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

| SN | Name of Company   | Net assets i.e. total assets minus total liabilities |                  | Share in profit or (loss) (PAT) |                   | Share in other comprehensive Income   |                  | Share in total comprehensive Income   |               |
|----|---|--|------------------|---------------------------------|-------------------|---------------------------------------|------------------|---------------------------------------|---------------|
|    |   | March 31, 2019                                       |                  | March 31, 2018                  |                   | March 31, 2019                        |                  | March 31, 2018                        |               |
|    |   | As % of consolidated net assets                      | ₹ in lakhs       | As % of consolidated net assets | ₹ in lakhs        | As % of consolidated profit or (loss) | ₹ in lakhs       | As % of consolidated profit or (loss) | ₹ in lakhs    |
| 32 | RPPrima   | 0.00%  | 0                | 0.00%                           | (4)               | 0.00%                                 | (4)              | 0.00%                                 | (0)           |
| 33 | ATPL  | 0.01%  | 355              | 0.01%                           | 356               | 0.00%                                 | (84)             | -0.04%                                | (84)          |
| 34 | AMPL  | 0.00%  | (73)             | 0.00%                           | (73)              | 0.00%                                 | (43)             | -0.02%                                | (43)          |
| 35 | RGPL  | 0.02%  | 635              | 0.02%                           | 665               | 0.01%                                 | (30)             | 0.00%                                 | (9)           |
| 36 | Associates: RSUNPL                                      | 0.00%  | (3)              | 0.00%                           | (3)               | 0.00%                                 | -                | 0.00%                                 | (0)           |
| 37 | RPHOTONPL   | 0.00%  | (3)              | 0.00%                           | (3)               | 0.00%                                 | (0)              | 0.00%                                 | (0)           |
| 38 | RSUNTPL   | 0.00%  | (3)              | 0.00%                           | (3)               | 0.00%                                 | (0)              | 0.00%                                 | (0)           |
| 39 | Foreign Subsidiaries: RNRL-Singapore                    | 4.13%  | 149,563          | 4.36%                           | 188,183           | 22.72%                                | (65,816)         | 10.70%                                | (53,818)      |
| 40 | PTS   | 0.00%  | 90               | 0.00%                           | 95                | 0.00%                                 | (8)              | 0.00%                                 | (10)          |
| 41 | PTH   | 0.30%  | 10,772           | 0.25%                           | 10,572            | 0.02%                                 | (49)             | 0.01%                                 | 20            |
| 42 | PTA   | 0.13%  | 4,696            | 0.11%                           | 4,605             | 0.03%                                 | (92)             | 0.02%                                 | (92)          |
| 43 | SBE   | 0.29%  | 10,488           | 0.24%                           | 10,470            | 0.02%                                 | (45)             | 0.01%                                 | (45)          |
| 44 | BEE   | 0.13%  | 4,676            | 0.11%                           | 4,794             | 0.03%                                 | (85)             | -0.41%                                | (674)         |
| 45 | RFZC  | 0.04%  | 1,600            | 0.03%                           | 1,092             | 0.01%                                 | (42)             | 0.00%                                 | (46)          |
| 46 | RBLPL   | 0.01%  | 465              | 0.01%                           | 375               | 0.00%                                 | -                | 0.00%                                 | 22            |
| 47 | RBLTL   | 0.00%  | 78               | 0.00%                           | -                 | 0.00%                                 | -                | 0.00%                                 | -             |
| 48 | RCPL  | 0.00%  | 34               | 0.00%                           | -                 | 0.00%                                 | -                | 0.00%                                 | -             |
| 49 | RPN   | 0.47%  | 16,912           | 0.41%                           | 17,639            | 0.08%                                 | (245)            | 0.04%                                 | 823           |
|    | <b>Sub Total</b>  | <b>100.00%</b>                                       | <b>3,619,969</b> | <b>100.00%</b>                  | <b>4,313,048</b>  | <b>100.00%</b>                        | <b>(289,632)</b> | <b>100.00%</b>                        | <b>99,036</b> |
|    | Inter Company elimination and Consolidation adjustments |  | (1,882,222)      |                                 | (2,189,553)       |                                       | (5,550)          |                                       | (98,373)      |
|    | <b>Grand Total</b>                                      |  | <b>1,737,747</b> |                                 | <b>2,123,496*</b> |                                       | <b>(295,182)</b> |                                       | <b>663</b>    |

@ Amount is below the rounding off norms adopted by the Group.

\* Restated

As per our attached report of even date

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**For Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No: 107783W

**Bhavesh Dhupelia**

Partner

Membership No: 042070

Place : Mumbai

Date : June 08, 2019

**Vishal D. Shah**

Partner

Membership No: 119303

Place : Mumbai

Date : June 08, 2019

For and on behalf of the Board of Directors

Chairman

**Anil D Ambani**

**Sateesh Seth**

**K. Ravikumar**

**D. J. Kakalia**

**Rashna Khan**

**K. Raja Gopal**

**Shrenik R Vaishnav**

**Murti Manohar Purohit**

Place : Mumbai

Date : June 08, 2019

Whole-time Director & CEO

Chief Financial Officer

Company Secretary



## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results -

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019<br>[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016] |   |   |  |   |
|--|---|---|--|---|
| I.   | SN  | Particulars   | Audited Figures<br>(as reported before<br>adjusting for<br>qualifications)<br>(₹ in lakhs) | Adjusted Figures<br>(audited figures after<br>adjusting for qualifications)<br>quoted in II(a)(i)<br>(₹ in lakhs) |
|  | 1.  | Total income  | 853,426  | 853,426   |
|  | 2.  | Total Expenditure (including exceptional items)   | 1,147,242  | 1,221,857   |
|  | 3.  | Net Profit/(Loss) after tax   | (295,182)  | (369,797)   |
|  | 4.  | Earnings Per Share after considering scheme withdrawal (₹)  | (10.523)   | (13.181)  |
|  | 5.  | Total Assets  | 5,807,840  | 5,733,225   |
|  | 6.  | Total Liabilities   | 4,070,093  | 4,070,093   |
|  | 7.  | Net Worth   | 1,737,747  | 1,663,132   |
|  | 8.  | Depreciation and amortization expense   | 83,908   | 158,523   |
| II.  | <b>Audit Qualification (each audit qualification separately):</b> |   |  |   |
|  | a.  | <b>Details of Audit Qualification:</b>  |  |   |
|  | i.  | <p>We refer to Note 33 to the consolidated annual financial results, regarding method of depreciation adopted by the Parent Company for the purpose of preparing its consolidated financial results being different from the depreciation method adopted by its subsidiaries which is a departure from the requirements of Ind AS 8 Accounting Policies, Changes in accounting estimates and errors since selection of the method of depreciation is an accounting estimate and depreciation method once selected in the standalone financial statements is not changed while preparing consolidated financial statements in accordance with Ind AS 110 Consolidated Financial Statements. Management's view in this regard has been set out in the aforesaid note.</p> <p>Had the method of depreciation adopted by the subsidiaries of the Parent Company, been considered for the purpose of preparation of consolidated financial statements of the Parent Company, the loss after tax in the consolidated annual financial results would have increased by ₹ 74,615 lakhs and other equity and property, plant and equipment would have reduced by an equivalent amount.</p> |  |   |
|  | ii.   | <p>The Parent Company has during the year taken inter-corporate deposits from certain companies aggregating to ₹ 40,341 lakhs. The related party relationships of such companies with the Parent Company have not been considered by the Parent Company and /or determinable based on the information available. Had these companies been considered to be related parties, the Parent Company would require prior approval/approval of the audit committee for these transactions in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act respectively, which has not been obtained. Also refer to Note 38 to the consolidated annual financial results.</p>  |  |   |
|  | b.  | <b>Type of Audit Qualification :</b> Qualified Opinion  |  |   |
|  | c.  | <b>Frequency of qualification:</b> first time (earlier item II(a)(i) was reported as a Matter of Emphasis   |  |   |
|  | d.  | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: With respect to II.(a) (i) above  |  |   |
|  |   | Managements view is set out in the Note 33 to the Consolidated Financial result, which is reproduced below:   |  |   |
|  |   | <p>Ind AS Transition Facilitation Group (ITFG) of Ind AS implementation Committee of the Institute of the Chartered Accountants of India (the "ICAI") has issued clarification on July 31, 2017 and has inter alia made observations regarding method of estimating depreciation adopted for preparing standalone financial statements of the subsidiaries and for preparing consolidated financial statements. The Parent Company has received opinions from reputed legal and accounting firms stating that clarification issued by ITFG will not be applicable to it, as the Parent Company has been following different methods in subsidiaries and in Consolidated Financial Statements since inception and as required by Ind AS 101 read with Ind AS 16 has continued the methods of providing depreciation even under Ind AS regime. The Parent Company accordingly continues to provide depreciation in its Consolidated Financial Statements by straight line method, which is different as compared to the written down value method considered appropriate by two of its subsidiaries.</p>  |  |   |
|  | e.  | <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> With respect to II.(a)(ii) above   |  |   |
|  | (i)   | Management's estimation on the impact of audit qualification: Nil   |  |   |
|  | (ii)  | If management is unable to estimate the impact, reasons for the same: With respect to ICDs, where prior approval of Audit committee was not taken, even though management feels they are not the related parties, audit committee's approval has since been received.   |  |   |
|  | (iii)   | Auditors' Comments on (i) or (ii) above: With respect to II(a)(ii) the same is not quantifiable.  |  |   |

[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]  
Statement containing salient features of financial statement of subsidiaries / associate companies/ joint ventures

PART "A" - Summary of Financial Information of Subsidiary Companies

| SN | Name of Subsidiaries                                 | Date from which they became subsidiary company | Share Capital | Reserve and Surplus | Total Assets (Non-current + Current) except Investments | Total Liabilities (Non-current + Current) | Investments | Turnover * | Profit/ (Loss) before Taxation | Provision for Taxation Debited/ Credited to Statement of Profit and Loss | Profit/ (Loss) after Taxation | Proposed Dividend | Extent of shareholding (in %) |
|----|--|--|---------------|---------------------|---|---|-------------|------------|--------------------------------|--|-------------------------------|-------------------|-------------------------------|
|    |  |  |               |                     |   |   |             |            |                                |  |                               |                   | ₹ in lakhs                    |
| 1  | Sasan Power Limited                                  | 07.08.2007                                     | 436,316       | 391,868             | 2,688,639   | 1,882,822                                 | 22,366      | 460,105    | (23,392)                       | 4,829  | (18,563)                      | -                 | 100                           |
| 2  | Rosa Power Supply Company Limited                    | 01.11.2006                                     | 42,483        | 412,008             | 907,855   | 501,213                                   | 47,849      | 241,462    | 25,286                         | (4,172)  | 21,114                        | -                 | 100                           |
| 3  | Vidarbha Industries Power Limited                    | 30.08.2007                                     | 1,491         | 155,378             | 527,109   | 374,669                                   | 4,449       | 99,343     | (6,850)                        | 608  | (6,242)                       | -                 | 100                           |
| 4  | Dhruva Solar Power Private Limited                   | 08.09.2010                                     | 180           | 57,953              | 106,388   | 45,513                                    | 278         | 10,229     | (148)                          | (89)   | (237)                         | -                 | 100                           |
| 5  | Rajasthan Sun Technique Energy Private Limited       | 29.06.2010                                     | 315           | (83,666)            | 132,259   | 147,468                                   | -           | 4,653      | (148,277)                      | (203)  | (148,479)                     | -                 | 100                           |
| 6  | Coastal Andhra Power Limited                         | 29.01.2008                                     | 60,307        | (61,114)            | 25,751  | 26,558                                    | -           | -          | (949)                          | (7)  | (956)                         | -                 | 100                           |
| 7  | Chitrang Power Private Limited                       | 10.09.2007                                     | 11            | (3,580)             | 102,511   | 106,080                                   | -           | -          | (4,256)                        | (0)  | (4,256)                       | -                 | 100                           |
| 8  | Reliance CleanGen Limited                            | 05.06.2010                                     | 3,695         | (488)               | 72,660  | 81,712                                    | 12,260      | -          | (3,691)                        | -  | (3,691)                       | -                 | 100                           |
| 9  | Moher Power Limited                                  | 08.06.2010                                     | 5             | (7)                 | 0   | 2   | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 10 | Reliance Solar Resources Power Private Limited       | 10.11.2010                                     | 1             | (4)                 | 0   | 4   | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 11 | Samalkot Power Limited                               | 29.07.2010                                     | 4,062         | (166,552)           | 399,640   | 562,224                                   | 93          | -          | (35,458)                       | (3)  | (35,458)                      | -                 | 100                           |
| 12 | Reliance Wind Power Private Limited                  | 11.11.2010                                     | 1             | (0)                 | 2   | 2   | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 13 | Reliance Coal Resources Private Limited              | 14.03.2008                                     | 210           | 12,878              | 40,126  | 43,881                                    | 16,843      | -          | 264                            | (45)   | 309                           | -                 | 100                           |
| 14 | Reliance Natural Resources Limited                   | 12.11.2010                                     | 5             | (7,329)             | 27,352  | 34,676                                    | -           | -          | (5,207)                        | -  | (5,207)                       | -                 | 100                           |
| 15 | Reliance Geothermal Power Private Limited            | 17.01.2015                                     | 1             | (52)                | 3   | 54  | -           | -          | (0)                            | -  | (0)                           | -                 | 75                            |
| 16 | Maharashtra Energy Generation Limited                | 28.08.2007                                     | 10            | 1,454               | 1,464   | 0   | -           | -          | 13                             | (3)  | 10                            | -                 | 100                           |
| 17 | Siyom Hydro Power Private Limited                    | 10.09.2007                                     | 46            | 73                  | 349   | 230                                       | -           | -          | (636)                          | -  | (636)                         | -                 | 100                           |
| 18 | Tato Hydro Power Private Limited                     | 10.09.2007                                     | 21            | (420)               | 35  | 435                                       | -           | -          | (3,817)                        | -  | (3,817)                       | -                 | 100                           |
| 19 | Kalai Power Private Limited                          | 26.09.2007                                     | 39            | 6,092               | 35,304  | 29,173                                    | -           | -          | (4,601)                        | -  | (4,601)                       | -                 | 100                           |
| 20 | Urthing Sobla Hydro Power Private Limited            | 14.09.2007                                     | 3             | 479                 | 557   | 74  | -           | -          | (1)                            | -  | (1)                           | -                 | 89                            |
| 21 | Amulim Hydro Power Private Limited                   | 07.07.2009                                     | 39            | (75)                | 4   | 40  | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 22 | Enini Hydro Power Private Limited                    | 07.07.2009                                     | 37            | (53)                | 4   | 21  | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 23 | Mihundon Hydro Power Private Limited                 | 07.07.2009                                     | 25            | (23)                | 4   | 2   | -           | -          | 0                              | -  | 0                             | -                 | 100                           |
| 24 | Purthi Hydro Power Private Limited                   | 19.05.2011                                     | 35            | 5,916               | 5,950   | 0   | -           | -          | 0                              | -  | 0                             | -                 | 100                           |
| 25 | Teling Hydro Power Private Limited                   | 19.05.2011                                     | 12            | 1,843               | 1,880   | 25  | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 26 | Shangling Hydro Power Private Limited                | 19.05.2011                                     | 6             | 859                 | 880   | 14  | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 27 | Lara Sumta Hydro Power Private Limited               | 19.05.2011                                     | 13            | 2,047               | 2,060   | 0   | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 28 | Sumte Kothang Hydro Power Private Limited            | 19.05.2011                                     | 16            | 2,563               | 2,578   | 0   | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 29 | Coastal Andhra Power Infrastructure Limited          | 23.04.2008                                     | 16            | (644)               | 264   | 892                                       | -           | -          | (795)                          | -  | (795)                         | -                 | 100                           |
| 30 | Reliance Prima Limited                               | 30.06.2010                                     | 5             | (5)                 | 1   | 1   | -           | -          | (4)                            | -  | (4)                           | -                 | 100                           |
| 31 | Atos Trading Private Limited                         | 30.06.2010                                     | 1             | 354                 | 359   | 3   | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 32 | Atos Mercantile Private Limited                      | 30.06.2010                                     | 1             | (74)                | 0   | 73  | -           | -          | (0)                            | -  | (0)                           | -                 | 100                           |
| 33 | Reliance Green Power Private Limited                 | 11.08.2012                                     | 5             | 630                 | 1,014   | 379                                       | -           | -          | (30)                           | -  | (30)                          | -                 | 100                           |
| 34 | Reliance Natural Resources (Singapore) Pte Limited S | 15.10.2010                                     | 189,869       | (40,306)            | 150,996   | 1,551                                     | 118         | 4,718      | (65,816)                       | -  | (65,816)                      | -                 | 100                           |
| 35 | PT Sumukha Coal Services S                           | 15.10.2010                                     | 118           | (28)                | 90  | 51  | 50          | -          | (8)                            | -  | (8)                           | -                 | 99.6                          |

| SN | Name of Subsidiaries                         | Date from which they became subsidiary company | Share Capital | Reserve and Surplus | Total Assets (Non-current + Current) except Investments | Total Liabilities (Non-current + Current) | Investments | Turnover * | Profit/ (Loss) before Taxation | Provision for Taxation Debited/ Credited to Statement of Profit and Loss | Profit/ (Loss) after Taxation | Proposed Dividend | Extent of shareholding (in %) |
|----|--|--|---------------|---------------------|---|---|-------------|------------|--------------------------------|--|-------------------------------|-------------------|-------------------------------|
| 36 | Reliance Power Netherlands BV \$             | 09.07.2010                                     | 16817         | 95                  | 72,510  | 64,517                                    | 8,919       | 2,266      | 245                            | -  | 245                           | -                 | 100                           |
| 37 | PT Aneesh Coal Resources \$                  | 02.08.2010                                     | 2,603         | 2,094               | 2,671   | 171                                       | 2,196       | -          | (92)                           | -  | (92)                          | -                 | 100                           |
| 38 | PT Heramba Coal Resources \$                 | 02.08.2010                                     | 5,900         | 4,872               | 4,833   | 5   | 5,944       | -          | (49)                           | -  | (49)                          | -                 | 100                           |
| 39 | PT Brayan Bintang Tiga Energi #              | 04.10.2010                                     | 2,107         | 2,570               | 4,856   | 180                                       | -           | 0          | (86)                           | -  | (86)                          | -                 | 100                           |
| 40 | PT Sriwijaya Bintang Tiga Energi #           | 04.10.2010                                     | 5,900         | 4,588               | 10,856  | 368                                       | -           | 0          | (45)                           | -  | (45)                          | -                 | 100                           |
| 41 | Reliance Power Holding FZC, Dubai ##         | 15.05.2016                                     | 1,689         | (156)               | 4,754   | 3,733                                     | 512         | 131        | (42)                           | -  | (42)                          | -                 | 100                           |
| 42 | Reliance Bangladesh LNG & Power Limited **   | 21.09.2016                                     | 504           | (40)                | 1,098   | 633                                       | -           | -          | -                              | -  | -                             | -                 | 100                           |
| 43 | Reliance Bangladesh LNG Terminals Limited ** | 17.04.2017                                     | 73            | 6                   | 2039  | 1,960                                     | -           | -          | -                              | -  | -                             | -                 | 100                           |
| 44 | Reliance Chittagong Power Company Limited ** | 13.05.2018                                     | 34            | -                   | 36  | 1   | -           | -          | -                              | -  | -                             | -                 | 100                           |

## PART "B" - Summary of Financial Information of Associate Companies

| SN | Name of Associates   | RPL Sun Power Private Limited   | RPL Photon Private Limited  | RPL Sun Technique Private Limited   |
|----|--|---|---|---|
| 1  | Latest audited Balance Sheet Date  | 31.03.2019  | 31.03.2019  | 31.03.2019  |
| 2  | Date on which the associate or Joint Venture was associated or acquired        | 16.06.2016  | 16.06.2016  | 16.06.2016  |
| 3  | Shares of Associates or Joint Ventures held by the company on the year end No. | 5000  | 5000  | 5000  |
|    | Amount of Investment in Associates or Joint Venture (₹)                        | 50,000  | 50,000  | 50,000  |
|    | Extent of Holding (in percentage)  | 50%   | 50%   | 50%   |
| 4  | Description of how there is significant influence                              | There is significant influence due to shareholding in the Associate Companies | There is significant influence due to shareholding in the Associate Companies | There is significant influence due to shareholding in the Associate Companies |
| 5  | Reason why the associate / joint venture is not consolidated                   | N/A   | N/A   | N/A   |
| 6  | Net worth attributable to shareholding as per latest audited Balance Sheet     | (3)   | (3)   | (3)   |
| 7  | Profit or Loss for the year considered in consolidation                        | @   | @   | @   |

\* Represents other income also

\$ Reporting currency in USD

# Reporting currency in IDR

\*\*Reporting currency in BDT

##Reporting currency in AED

Exchange rate as on March 31, 2019 : 1 IDR = 0.0049, 1 USD = 69.1713, 1 AED = 18.8893, 1 BDT = 0.8253

@ Amount is below the rounding off norms adopted by the Group

## Route Map to the AGM Venue

Venue : Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020



Landmark : K.C. Collage

Distance from Churchgate Station : 0.7 km

Distance from Chhatrapati Shivaji Terminus : 1.9 km

**RELIANCE****Power****Reliance Power Limited**

CIN: L40101MH1995PLC084687

Registered Office: Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001

Tel. No. : +91 22 4303 1000, Fax no.: +91 22 4303 3662

Website: www.reliancepower.co.in, E-mail id: reliancepower.investors@relianceada.com

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

**ATTENDANCE SLIP**

|                      |  |  |
|----------------------|--|--|
| *DP Id./Client Id.   |  | Name & Address of the registered Shareholder |
| Regd. Folio No.      |  |  |
| No. of Share(s) held |  |  |

(\*Applicable for Members holding Share(s) in electronic form)

I hereby record my presence at the **25<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **Reliance Power Limited** held on Monday, September 30, 2019 at 12.30 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020

Member's/ Proxy's Signature

TEAR HERE

**PROXY FORM****RELIANCE****Power****Reliance Power Limited**

CIN: L40101MH1995PLC084687

Registered Office: Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001

Tel. No. : +91 22 4303 1000, Fax no.: +91 22 4303 3662

Website: www.reliancepower.co.in, E-mail id: reliancepower.investors@relianceada.com

**FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

|                        |  |
|------------------------|--|
| Name of the Member(s): |  |
| Registered Address:    |  |
| E-mail Id:             |  |
| *DP Id./Client Id.     |  |
| Regd. Folio No.        |  |

(\*Applicable for Members holding Share(s) in electronic form)

I/ We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **Reliance Power Limited**, to be held on Monday, September 30, 2019 at 12.30 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020 and at any adjournment thereof in respect of such resolutions are indicated below:

| Resolution No. | Matter of Resolution   | For | Against |
|----------------|--|-----|---------|
| 1.             | To consider and adopt:<br>a. the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and the Auditors thereon; and<br>b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Auditors thereon. |     |         |
| 2.             | To appoint a Director in place of Shri K. Raja Gopal (DIN 00019958), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.  |     |         |
| 3.             | To confirm M/s. Pathak H.D. & Associates, Chartered Accountants continuing as the sole Statutory Auditors of the Company   |     |         |
| 4.             | To consider and approve payment of remuneration to M/s. V. J. Talati & Co., Cost Auditors for the financial year ended March 31, 2020.   |     |         |
| 5.             | To approve Private Placement of Non-Convertible Debentures and/or other Debt Securities.   |     |         |

Signed this ..... day of ..... 2019.

Signature of Shareholder(s) : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:**  
This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered please return to :

**Karvy Fintech Private Limited**  
**(Unit: Reliance Power Limited)**

Karvy Selenium Tower – B,

Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda Hyderabad 500 032

Tel. no.: +91 40 6716 1500 Fax no.: +91 40 6716 1791

E-mail : rpower@karvy.com, Website: www.karvyfintech.com