

RELIANCE

Power

**Annual Report
2011-12
(Abridged)**



Dhirubhai H. Ambani

(28th December, 1932 - 6th July, 2002)

Reliance Group - Founder and Visionary

Profile

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

RPower is engaged in the development and construction of one of the largest portfolio of power generation projects in India.

RPower is presently operating 1,540 MW of power capacity.

RPower also has the largest captive coal reserves in the private sector in India, besides owning coal mines in Indonesia.

Our projects are diverse in geographic location, 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.

Reliance Power Limited

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Chief Executive Officer		
Shri J. P. Chalasani		
Company Secretary and Manager		
Shri Ramaswami Kalidas		
Auditors		
M/s. Chaturvedi & Shah		
M/s. Price Waterhouse		
Registered Office		
H Block, 1 st Floor Dhirubhai Ambani Knowledge City Navi Mumbai 400 710 Maharashtra, India		
Registrar and Transfer Agent		
Karvy Computershare Private Limited Madhura Estate, Municipal No. 1-9/13/C Plot No. 13 & 13C, Madhapur Village Hyderabad 500 081, Andhra Pradesh, India website : www.karvy.com		
Investor Helpdesk		
Toll free no (India) : 1800 4250 999		
Telephone no. : +91 40 4030 8000		
Fax no. : +91 40 2342 0859		
E-mail : rpower@karvy.com		
Post your request : http://kcpl.karvy.com/adag		

18th Annual General Meeting on Tuesday, September 4, 2012 at 2.00 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhaagar, 19, New Marine Lines, Mumbai 400 020

The Annual Report can be accessed at www.reliancepower.co.in

Letter to Shareowners

My dear fellow shareowners,

It is my privilege to give you a snapshot of how the year 2011-12 went for Reliance Power. We have delivered a robust performance of which we can all be justifiably proud.

Reliance Power's vision is to become one of the largest integrated power generation and coal mining Companies in the world. Of the power projects which the Company is developing, 1,540 MW is already operational, while the balance capacities are under various stages of construction and development.

In the year 2012, we successfully commissioned, ahead of schedule, the second 600 MW phase of our thermal power plant in Rosa, situated in Shahjahanpur district of Uttar Pradesh. With this the Rosa plant has reached its full capacity of 1,200 MW, all dedicated to the people of Uttar Pradesh.

The first phase of the Rosa plant has already set benchmarks in terms of operational efficiency and financial performance. This was achieved in spite of the acute shortage of coal facing the Country. Rosa Phase I generated 4,233 million units of electricity and delivered a net profit of Rs. 339 crore.

Your Company commissioned India's biggest solar power plant in Village Dhursar, Dist. Jaisalmer, in Rajasthan. The 40 MW solar photovoltaic thin film plant was set up in a mere matter of 129 days. This plant will generate 70 million kilowatt hours of clean and green energy annually for potential consumption of 75,000 households. The entire debt for the plant has been funded by US Exim Bank and Asian Development Bank (ADB). The commissioning of this plant is the first major step in our vision to become India's largest green power Company.

We are also constructing India's biggest gas-based power plant in Samalkot, close to India's east coast in Andhra Pradesh and the plant is poised for commissioning in a record time of 14 months. This bears testimony to your Company's strong project execution capabilities. We now await the allocation of domestic natural gas from the government and look forward to providing environmentally friendly clean and green power to the southern region.

Reliance Power recently synchronised the first of two units of its 600 MW Butibori Thermal Power Project near Nagpur in Maharashtra. Power generated from the plant will mainly be distributed to industrial as well as distribution utilities in Maharashtra. The first unit of the plant has been synchronised in a record time of just over 21 months from commencement of boiler erection to synchronisation. The second 300 MW unit of the plant is also on track for commissioning in the coming months.

The year 2012-2013 would see the commissioning of the first 660 MW unit of the 3,960 MW Sasan Ultra Mega Power Project (UMPP). This would herald, for us, the beginning of the use of supercritical technology. All of your Company's future thermal power plants would employ supercritical technology, which notably translates to higher efficiencies to reduce both fuel costs and carbon dioxide emissions.

In Dhursar in Rajasthan, your Company is also setting up a 100 MW Concentrated Solar Power (CSP) project. CSP plants produce electric power by converting the sun's energy into heat using various mirror configurations. A conventional steam turbine generator then converts this heat-energy into electricity. The CSP plant is being developed under the Jawaharlal Nehru National Solar Mission, which has set a target of 20 GW solar power by 2022. The combined solar power capacity of over 140 MW in this location in Rajasthan will generate enough electricity to power over 250,000 homes in India.

Construction and development activities are progressing rapidly in Vashpet in Maharashtra, where we are setting up wind power generation farms.

Reliance Power is on track for becoming one of India's largest resources Companies in the power sector with work progressing at a brisk pace in the development of coal mines associated with our Sasan UMPP. Coal production will begin ahead of the commissioning of the Sasan power plant. Your Company has also made significant progress in the mine development activities in Indonesia, where we own three coal mines capable of producing

Reliance Power Limited

Letter to Shareowners

up to 30 million tonnes per annum. Our coal resources will ensure fuel self-sufficiency for a large proportion of our power plants.

Performance Review

A snapshot of the Company's consolidated financial performance during FY11-12 is provided below for your reference:

- Total income of ₹ 2,767 crore as compared to ₹ 1,918 crore in the previous year.
- Net profit of ₹ 867 crore as compared to ₹ 760 crore in the previous year.
- Earnings Per Share (EPS) (basic and diluted) of ₹ 3.09 as compared to ₹ 2.94 in the previous year.

Corporate Governance

RPower has always maintained the best governance standards and practices by adopting, as is the norm for all constituent Companies of the Group, the "Reliance Group - Corporate Governance Policies and Code of Conduct". These Policies and Code prescribe a set of systems, processes and principles, which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

Social Commitments

We are developing a large portfolio of projects which require substantial use of natural resources such as land, water and minerals. We take adequate care in designing our power generation plants in a manner that optimises the utilisation of land, thereby bringing down the aggregate land requirement and minimising the potential for disruption and displacement of local communities. We are also adopting cleaner technologies related

to power generation that reduce the consumption of fuel and water required for plant operations, thereby conserving precious natural resource and contributing to a greener and healthier environment.

Many of the areas in which we are implementing projects are not very well developed and it will always be our mission to contribute towards improving the quality of life of the communities living in these areas. Indeed, we believe that our success in executing large-scale generation projects is critically dependent on following a participatory development-oriented approach that strengthens our bond with the local population.

In order to achieve these objectives, we have made significant outlays in healthcare, education and livelihood opportunities for local communities.

Our Commitment

Our founder, the legendary Shri Dhirubhai Ambani, gave us a simple mantra: to aspire to the highest global standards of quality, efficiency, operational performance and customer care. We remain committed to upholding that vision.

Thank you, shareowners, for your continued support in our journey of delivering consistent, competitive, profitable and responsible growth. I could not be more excited about the journey ahead for Reliance Power.



Anil Dhirubhai Ambani
Chairman

Notice

Notice is hereby given that the 18th Annual General Meeting of the Members of **Reliance Power Limited** will be held on Tuesday, September 4, 2012 at 2.00 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, the audited Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Yogendra Narain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an

Ordinary Resolution:

"RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) and M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

Special Business

4. Issue of Securities to the Qualified Institutional Buyers

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"a) RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter

constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to issue, offer and allot equity shares/fully convertible debentures/partly convertible debentures/non convertible debentures with warrants/ any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers (QIBs) as per the SEBI ICDR, whether or not such QIBs are Members of the Company, on the basis of placement document(s), at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of QIP Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 25% of the then issued and subscribed equity shares of the Company.

- b) RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").
- c) RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares shall rank *pari passu* with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
- d) RESOLVED FURTHER THAT such of these QIP Securities to be issued as are not subscribed may be disposed of by the Board to such person or persons and in such manner and on such terms as the Board may in its absolute discretion think fit in accordance with the provisions of law.
- e) RESOLVED FURTHER THAT the issue to the holders of the Securities with equity shares underlying such securities shall be *inter alia*, subject to suitable adjustment in the number of shares, the price and the time period, etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, de-merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.
- f) RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of QIP Securities or instruments representing the same, as described in paragraph (a) above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute

Reliance Power Limited

Notice

discretion, deem necessary or desirable for such purpose, including without limitation, the entering into of underwriting, marketing and institution/trustees/agents and similar agreements/and to remunerate the Managers, underwriters and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

- g) RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of QIP Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage/hypothecation/charge on the Company's assets under Section 293(1)(a) of the said act in respect of the aforesaid QIP Securities either on *pari passu* basis or otherwise or in the borrowing of loans as it may in its

absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

- h) RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

By order of the Board of Directors

Ramaswami Kalidas
Company Secretary

Registered office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400710

July 3, 2012

Notes

- A Member entitled to attend and vote at the Annual General Meeting (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 should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.**
- Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 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.
- 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 certificate from the Auditors of the Company confirming the compliance of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with respect to the Company's ESOS Plans will be available for inspection at the Meeting.
- The Company's Register of Members and Transfer Books will remain closed from Saturday, August 25, 2012 to Tuesday, September 4, 2012 (both days inclusive) for the purpose of the Meeting.
- Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.
- Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Transfer Agent, Karvy Computershare Private Limited.
- Non-resident Indian Members are requested to inform Karvy Computershare Private Limited immediately on:
 - the change in the residential status on return to India for permanent settlement.
 - the particulars of the bank accounts maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
- Re-appointment of Director: At the ensuing Meeting, Dr. Yogendra Narain, Director of the Company retires by rotation and being eligible offers himself for re-appointment. The details pertaining to Dr. Yogendra Narain required to be provided pursuant to the requirements of Clause 49 of the listing agreement are furnished in the statements on Corporate Governance which form a part of this Annual Report.
- Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
- Members are requested to fill in and send the Feedback Form provided in the 'Investor Relations' section on the Company's website www.reliancepower.co.in to aid the Company in its constant endeavour to enhance the standards of service to investors.

Notice

14. The statement containing the salient features of the audited Balance Sheet, Statement of profit and loss, cash flow statement and auditors' report on the Abridged Financial Statements, is sent to the Members, along with the Abridged Consolidated Financial Statements. Any Member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.
15. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated July 3, 2012

Item No. 4

Issue of Securities to the Qualified Institutional Buyers

The Company, a Member of the Reliance Group, is engaged in developing, constructing and operating power projects in different parts of the Country. The Company on its own and through its subsidiaries has a large planned portfolio of power generation capacity, both operational as well as under development. In order to part finance such a large portfolio of power projects and to enhance its global competitiveness and ability to compete with the peer groups in the domestic and international markets, the Company needs to strengthen its financial position and net worth by augmenting its long term resources.

For the above purposes as also for meeting the requirements for general corporate purposes, as may be decided by the Board from time to time, it is proposed to seek the enabling authorisation of the Members of the Company in favour of the Board of Directors ("Board" which expression for the purposes of this Resolution shall include any Committee of Directors constituted / to be constituted by the Board), without the need for any further approval from the Members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB"), in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR"), as set out in the special resolution at Item No. 4 of the accompanying Notice.

In view of above, the Board may, in one or more tranches, issue, offer and allot equity shares / fully convertible debentures/ partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date(s) as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"). The QIP Securities proposed to be issued by the Board shall be subject to the provisions of the SEBI ICDR including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date. The relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board of the Company decides to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be.

For the reasons aforesaid, an enabling special resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The QIP Securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by

the issue of QIP Securities shall not result in the increase in the issued and subscribed equity share capital of the Company by more than 25 per cent of the then issued and subscribed equity shares of the Company as on the relevant date.

The proposed Special Resolution is only enabling in nature and the Board may, from time to time, consider the extent, if any, to which the securities may be issued.

The QIP Securities issued pursuant to the offer, if necessary, may be secured by way of mortgage / hypothecation of the Company's assets as may be finalized by the Board in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities. The security that may have to be created for the purposes of this issue, as above may come within the purview of Section 293(1)(a) of the Companies Act, 1956. Necessary approval has already been accorded by Members of the Company for creation of such Security(s) by passing of resolution through postal ballot on September 1, 2007.

Section 81(1A) of the Companies Act, 1956 and Listing Agreement entered into with the Stock Exchanges, provide, *inter alia*, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to offer and issue the QIP Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries to offer and issue the QIP Securities to any persons, whether or not they are Members of the Company.

The Board of Directors accordingly recommends the special resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors and Manager of the Company is, in any way, deemed to be concerned or interested in the said resolution, except to the extent of their shareholding in the Company.

By order of the Board of Directors

Ramaswami Kalidas
Company Secretary

Registered office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400710

July 3, 2012

Reliance Power Limited

Directors' Report

Dear Shareowners,

Your Directors present the 18th Annual Report and the audited accounts for the financial year ended March 31, 2012.

Financial Results

The standalone performance of the Company for the financial year ended March 31, 2012 is summarised below;

Particulars	Financial Year ended March 31, 2012		Financial Year ended March 31, 2011	
	₹ in lakh	US \$ in lakh**	₹ in lakh	US \$ in lakh**
Total Income	53,185	1,040	47,153	1,056
Profit before tax	31,094	608	25,364	568
Less: Provision for taxation	8	-	(2,091)	(47)
Profit after tax	31,086	607	27,455	615
Balance of Profit brought forward from previous period	39,135	765	61,680	1,381
Transfer to General Reserve	35,000	684	50,000	1,120
Balance carried to Balance Sheet	35,221	688	39,135	876

* Figures of previous year have been regrouped and reclassified, wherever required.

** ₹ 51.16 = US \$ 1 Exchange rate as on March 31, 2012 (₹ 44.65 = US \$ 1 as on March 31, 2011)

Financial Performance

During the year under review, the total Income of the Company was ₹ 53,185 lakh against ₹ 47,153 lakh in the previous year on a standalone basis. The Company has earned a Profit after tax of ₹ 31,086 lakh compared to ₹ 27,455 lakh in the previous year on a stand alone basis.

Dividend

Your Directors have not recommended any dividend on equity shares for the year under review.

Business Operations

The Company is in the business of setting up and operating power projects and in the development of coal mines. The Company has a large portfolio of power projects and is also developing coal mines in India and Indonesia. Of the power projects which the Company is developing through its Subsidiaries, 1,540 MW are already operational while the other power projects are under various stages of development.

The portfolio of projects which the Company is developing is diversified with regard to location, fuel and off-take. The projects are spread across various states in India and its coal mines are also located in Indonesia. A major portion of the power generating capacity would be based on coal as the primary fuel. The others include gas based power projects, hydro-electric power projects and power projects based on renewable energy resources such as solar and wind.

Redemption of FCCBs

The liabilities in respect of the 4.928 per cent Foreign Currency Convertible Bonds (FCCBs) amounting to US \$ 299.9 million (₹ 1,474.93 crore) which had devolved on RPower consequent on the approval of the Composite Scheme of Arrangement

involving, *inter alia*, Reliance Natural Resources Limited and Reliance Power Limited and others, has been redeemed in full on their due date of maturity during the year 2011-12.

The Company has no outstanding FCCBs as on March 31, 2012.

Scheme of Arrangement

Sasan Power Infrastructure Limited, a wholly owned subsidiary of the Company amalgamated into the Company with effect from February 23, 2012, in terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated December 23, 2011. The appointed date was September 1, 2011.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is presented in a separate section forming part of this Annual Report.

Subsidiary Companies

During the year, Shangling Hydro Power Private Limited, Sumte Kothang Hydro Power Private Limited, Teling Hydro Power Private Limited, Lara Sumta Hydro Power Private Limited, Purthi Hydro Power Private Limited and Reliance Clean Energy Private Limited, have become wholly owned subsidiaries of the Company.

During the year, Reliance Biomass Power Private Limited, Reliance Tidal Power Private Limited, Reliance Geothermal Power Private Limited, Reliance Green Power Private Limited, Reliance Renewable Power Private Limited, Solar Generation Company (Rajasthan) Private Limited and Sasan Power Infrastructure Limited (since merged), have ceased to be subsidiaries of the Company.

Directors' Report

In accordance with the general circular issued by the Ministry of Corporate Affairs (MCA), Government of India (GOI), Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not attached with the Balance Sheet of the Company. The Company shall make available the copies of annual accounts of the subsidiary companies and related detailed information to the shareholders of the Company seeking the same. The annual accounts of the subsidiary companies will also be kept for inspection by any shareholder at the Registered Office of the Company and that of respective subsidiary companies.

Further, pursuant to the provisions of Accounting Standard AS-21 and AS-27 prescribed under the Companies (Accounting Standards) Rules, 2006 and Listing Agreement as prescribed by the Securities and Exchange Board of India, the Consolidated Financial Statements presented by the Company form part of this Annual Report.

Directors

In terms of the provisions of the Companies Act, 1956, Dr. Yogendra Narain, Independent Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

A brief resume of the Director retiring by rotation at the ensuing AGM, nature of expertise in specific functional areas and names of the companies in which he holds directorship and/or membership/ chairmanships of Committees of the respective Boards, shareholding and relationship between Directors *inter se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is given in the section on Corporate Governance Report forming part of this Annual Report.

Shri S. L. Rao was appointed as an Independent Director of the Company on September 30, 2007 as a representative of Reliance Infrastructure Limited (RInfra) which is a Promoter Company with a significant equity holding in the Company.

Shri Rao had completed on April 20, 2012, three consecutive terms of office of three years each as an Independent Director in RInfra. In line with the Group's Corporate Governance Policy and in accordance with the recommendatory provisions of clause 49 in the Listing Agreement relating to corporate governance, Shri Rao has relinquished office as a Director in RInfra effective from April 20, 2012.

In consequence of the above, Shri Rao has also relinquished his office as a Director in the Company effective from April 20, 2012.

The Board of Directors have placed on record their sincere appreciation for the valuable contribution made by Shri Rao during his tenure of association with the Company.

Directors' Responsibility Statement

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the annual accounts for financial year ended March 31, 2012, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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, 2012 and of the Profit of the Company for that period;

- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts for financial year ended March 31, 2012 on a 'going concern' basis.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiaries, as approved by their respective Board of Directors, have been prepared in accordance with the Accounting Standard 21 (AS-21) on "Consolidated Financial Statements" and Accounting Standard 27 (AS-27) on "Financial Reporting of Interests in Joint Ventures", notified under Section 211(3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, as applicable.

Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified from such appointment in terms of Section 226 of the Companies Act, 1956.

The observations and comments given by Auditors in their Report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Employees Stock Option Scheme

As reported last year, the ESOS Compensation Committee had approved to grant up to 200,00,000 Options exercisable into equal number of fully paid up Equity shares of the Company to eligible Employees of the Company and its subsidiaries in accordance with the Scheme. During the year under review, the Company has not granted any Options to the employees of the Company.

Reliance Power Limited

Directors' Report

The particulars as required under clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are as follows :

Sr.	Particulars	ESOS Plan 2010
a.	Total options granted	85,00,000
b.	Pricing formula decided by ESOS Compensation Committee	The exercise price is as per the Plan under the ESOS Scheme
c.	Options vested	85,00,000
d.	Options exercised	Nil
e.	Total number of equity shares arising as a result of exercise of Options	Nil
f.	Options lapsed during the year	Nil
g.	Variation of terms of Options	Nil
h.	Money realized by exercise of options during the year	Nil
i.	Total number of Options in force at the end of the year	85,00,000
j.	Employee wise details of Options granted to :	
	i. Senior Managerial personnel (i.e. Managing Director / Whole-time Director/Manager)	Nil
	ii. Employee who receives grant in any one year of option amounting to 5 % or more of option granted during the year	Nil
	iii. Identified Employees who were granted options, during any one year equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
k.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20	N.A. There would not be any fresh issue of equity shares of the Company upon exercise of Options by employees
l.	The difference between employee compensation cost using intrinsic value method and fair value of the Options and impact of this difference on	
	Profit	₹ 434 lakhs
	EPS of the Company	(₹ 0.02)
m.	Weighted average exercise prices of Options granted during the year where exercise price is less than market price	-
n.	Significant assumptions made in computation of fair value	
	i. risk free interest rate	7.74%
	ii. weighted average period of option	7.25 Years
	iii. expected volatility	41.88%
	iv. expected dividends (yield), and	-
	v. the price of the underlying share in the market at the time of grant	₹ 140.20

The Company has received a certificate from the Auditors of the Company that the ESOS Plan 2010 has been implemented in accordance with the Guidelines and as per the resolution passed by the Members of the Company authorizing the issuance of ESOS.

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

The particulars as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure – A forming part of this Report.

Corporate Governance

The Company has adopted the "Reliance Group–Corporate Governance Policies and Code of Conduct" which has set out the systems, processes and policies conforming to international standards. The report on Corporate Governance as stipulated under Clause 49 of the listing agreement with the Stock Exchanges, forms part of this Annual Report.

A Certificate from the Auditors of the Company M/s. Chaturvedi & Shah and M/s. Price Waterhouse, conforming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to this Report.

Directors' Report

Acknowledgements

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, financial institutions, government authorities, 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 of the Company, 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
July 3, 2012

Annexure – A

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the financial year ended on March 31, 2012:

- Conservation of Energy:** Since the Company has not yet undertaken any manufacturing activity, the particulars with respect to conservation of energy are not applicable. The Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
- Technology Absorption:** The Company continuously makes efforts towards research and developmental activities and has been constantly active in harnessing and tapping the latest and best technology in the industry.
- Foreign Exchange Earnings and Outgo:**

Total foreign exchange earnings and outgo for the financial year is as follows:

- Total Foreign Exchange earnings : ₹ 679 lakh (Previous year ₹ 280 lakh)
- Total Foreign Exchange outgo : ₹ 5,734 lakh (Previous year ₹ 3,873 lakh)

Auditors' Certificate on Corporate Governance

To
The Members of Reliance Power Limited

We have examined the compliance of the conditions of Corporate Governance by **Reliance Power Limited** ('the Company'), for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated of the above mentioned listing agreements.

We 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.

For Price Waterhouse
Chartered Accountants
Firm Regn. No: 301112 E

For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No: 101720 W

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Date : July 3, 2012
Place : Mumbai

Date : July 3, 2012
Place : Bengaluru

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 within the Country and such other factors.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the accounting standards notified under Section 211 (3C) of the Act read with Companies (Accounting Standards) Rules, 2006. 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 for the year.

The following discussions on our financial condition and result 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.

Economic Outlook

India's economic growth has slowed to 6.5 per cent in 2011-12 mainly due to weakening industrial growth affected by an uncertain global environment. With agriculture and service sectors continuing to perform well, the slowdown can be attributed almost entirely to the continuous weakening of industrial growth. The service sector continues to be a star performer as its share in GDP has climbed from 58 per cent in 2010-11 to 59 per cent in 2011-12 with a growth rate of 9.4 per cent. Similarly, agriculture and allied sectors are also estimated to achieve a growth rate of 2.5 per cent in 2011-12.

The global economic and financial crisis has had a dampening effect on cross border FDI flows and in order to maintain earlier levels of foreign investment and attract more, it is imperative to enhance India's competitiveness.

Monetary policy continued to be tightened by the Reserve Bank of India (RBI) to curb inflation which had a lagged impact and inflation fell towards the end of the year. Growth and investments were also affected by global developments, including the Greek and Euro zone debt crisis, and the continuous political turmoil in the Middle East leading to high crude oil prices and de-rating of the US economy by the rating agencies. As the fiscal year drew to a close, the economic environment showed distinct signs of improvement with inflation starting to fall in line with

the projected trajectory. The government is also expected to undertake necessary monetary policy initiatives required to boost growth and investments. The macroeconomic outlook for the fiscal year 2012-13 looks positive with modest recovery in GDP growth rate to 7.3 per cent from 6.9 per cent in 2011-12.

Power Sector

Efficient infrastructure is a pre-requisite for sustainable and inclusive economic growth and it holds the key to global competitiveness of the Indian economy. The direct correlation between electricity and economic growth is widely acknowledged. India needs power to grow and for that reason the sector presents a massive opportunity.

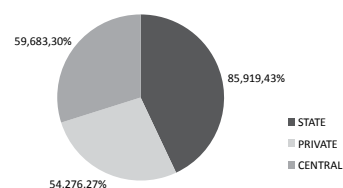
The private sector has underscored its central role in sustaining power sector investments, with over 50 per cent of the capacity addition in the 11th five-year plan by the private sector. The Electricity Reforms which started in the 1990s, and took greater shape with the Electricity Act 2003, have been able to attract private independent power producers and accelerated capacity addition. However, the biggest challenge facing the power sector is fuel availability and pricing. This requires immediate attention of the government and there are clear indications that the administration is seized of the matter. The other area of huge concern for the power sector is distribution reforms, which are critical for the sector to gather and maintain growth momentum. Again, there is growing realization in the government that distribution reforms cannot be delayed any further. The V.S. Shunglu committee has recommended pragmatic ways of reviving electricity distribution Companies by passing the onus of repaying loans to respective state governments, instructing the states to ramp up transmission and distribution efficiency and for an allotment of distribution areas on a franchisee basis.

Installed generation capacity

The total installed power generation capacity of India as on March 31, 2012 was 199,877 MW of which over 27 per cent is contributed by the private sector.

Sector wise generation capacity (in MW) as on March 31, 2012*

Sector - wise generation capacity as on 31st March 2012

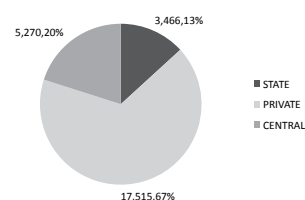


* Excluding captive generation capacity connected to grid Source: CEA

India added generation capacity of 26,251 MW in FY11-12, an 85 per cent increase over the capacity addition in FY10-11. The private sector was the biggest contributor accounting for over 67 per cent of the total capacity added in FY11-12.

Sector wise generation capacity added (in MW) in FY 11-12*

Sector - wise generation capacity addition in 2011-12



* Excluding captive generation capacity Source: CEA

Management Discussion and Analysis

India has been traditionally dependent on thermal power as a source of power generation, which constitutes about 66 per cent of the current capacity. The balance is contributed by hydroelectric power (20 per cent), nuclear (2 per cent), and renewable energy (12 per cent).

Fuel wise generation capacity (in MW) as on 31st March 2012*

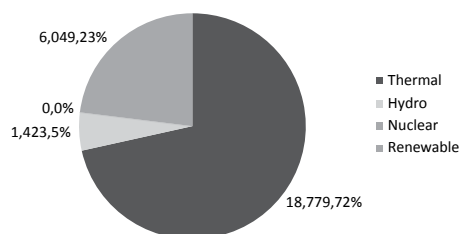
Fuel	Installed Capacity (MW)	Share of installed capacity as %
Thermal	131,603	65.8
Coal	112,022	56.0
Gas	18,381	9.2
Diesel	1,200	0.6
Hydroelectric	38,990	19.5
Nuclear	4,780	2.4
Renewable energy	24,503	12.3
Total	199,877	100.0

* Excluding captive generation capacity connected to grid

Source: CEA

Fuel wise generation capacity added (in MW) in FY2011-12

Fuel-wise generation capacity addition in 2011-12



* Excluding captive generation capacity

Source: CEA

With over two-third of the capacity added last year coming from coal based projects and with the capacities under construction biased towards coal based projects, India is expected to remain reliant on coal for achieving its power needs. Consequently, shortage of coal represents the biggest impediment for power generation in India.

Generation capacity addition plans

The Government of India had set an ambitious target of adding 78,700 MW* in the Eleventh Five Year Plan period (FY07-12). As part of a mid-term appraisal, the Planning Commission, reduced the target to 62,374 MW. In the end, a capacity of 50,805 MW was added, translating to an over 80 per cent target being achieved. While it is true that even the revised target was not met, the capacity addition during the Eleventh Plan was two and-a-half times more than what was achieved in the Tenth Plan, representing a dynamic phase for the Country's power sector on the back of increased private sector participation.

*Excluding renewable and captive generation capacity

Power generation

The total power generation in India during FY11-12 was 876.9 billion units (8.1 per cent higher than FY10-11) and was 2.6 per cent higher than the target estimates set for FY11-12.

Sector wise power generation performance in FY2011-12

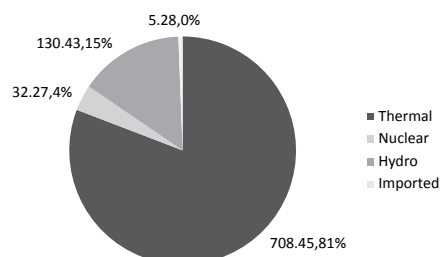
Sector	Power generation (billion units)	Percentage share	Percentage of installed capacity as %	Average PLF (thermal) as %
State sector	368.0	42.0	47.0	68.00
Central sector	364.0	41.5	34.0	82.12
Private sector	139.6	15.9	19.0	76.19
Imported	5.3	0.6	-	-
Total	876.9	100	100	73.32

Source: CEA

Fuel wise power generation performance in FY2011-12

Fuel	Power generated (MU)	Share in generation as %	Share in generation capacity as %
Thermal	708.4	80.8	75.0
Hydroelectric	130.4	14.9	22.2
Nuclear	32.3	3.7	2.7
Imported	5.3	0.6	0
Total	876	100	100

Source: CEA

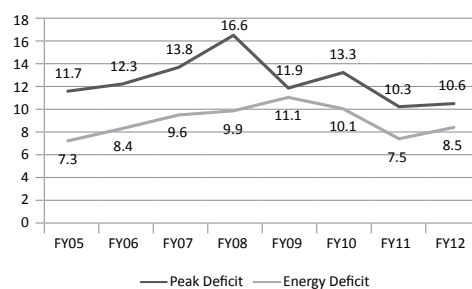


Power Sector Outlook

• Demand and supply outlook

India faces a crippling power crisis. The energy deficit in FY11-12 was 8.5 per cent and the peak power deficit was 10.6 per cent indicating a huge gap between demand and supply of electricity. Worryingly, deficits have gone up this fiscal after falling the previous two years. The following table highlights the deficit situation in the last few years:

Power deficit scenario - all India in the period FY 05-12 (in %)



Source: CEA

● Long term demand and supply outlook

According to the Ministry of Power, India's power generation has to grow five times its current capacity to deliver a sustained GDP growth of 8 per cent till FY31-32. This implies a compound annual growth rate (CAGR) of 8.2 per cent over 20 years and an average capacity addition of over 38,000 MW every year, nearly three times the capacity addition rate in the XIth Five Year Plan.

Opportunities and threats

In the past decade, the government has taken various initiatives to increase public as well as private investments in the sector to enhance generation capacity and eliminate power deficit. After enacting the Electricity Act in 2003, the government has followed up on the reform agenda with many other policy measures to make power generation attractive for investors. The Electricity Act, 2003, requires the Central Electricity Authority (CEA) to lay out the National Electricity Plan once every five years, revising it from time to time in accordance with the National Electricity Policy. This Plan serves as a roadmap for accelerated growth of the power sector. Now 100 per cent Foreign Direct Investment (FDI) is allowed in generation, transmission and distribution segments. These policy initiatives have resulted in building up investor confidence in the power sector and increased participation by the private sector.

In order to attract further private participation in the power sector, the Government of India had announced the Ultra Mega Power Projects (UMPP) scheme under which the government would partner with the private sector for developing large power projects. The policy framework for the power sector encourages developers to put up power projects to sell power through long term Power Purchase Agreements (PPAs) at attractive and sustainable returns, and also to sell power through short term contracts (bilateral contracts) or spot markets (unscheduled interchange, power exchanges).

India needs to substantially bridge the gap between demand and supply of electricity for sustained economic growth and to kindle hope in the lives of its people and to accomplish that the Country needs all sources of power it can get access to. Clean energy from renewable sources, apart from being an environmentally friendly source of power, can also contribute to India's power needs. The potential for generating energy from renewable sources in India is enormous. This potential is currently estimated at 48,500 MW for wind energy and 25,000 MW for solar. Besides, hydroelectric capacity is estimated at 148,700 MW, of which so far only 25 per cent has become operational.

India's renewable energy capacity has gone up from 7,761 MW 2007 to 24,503 MW now—growth of over 200 per cent in just five years. With fuel shortage staring India in the face, it has become imperative for the Country to have a focused strategy for renewable energy. The government has initiated steps in this direction, including:

- Policy envisaging that all states should mandatorily meet Renewable Purchase Obligations (RPO) of 5 per cent of total generation.
- Launch of Jawaharlal Nehru National Solar Mission (JNNSM), which aims to ensure that solar energy technologies in the Country achieve grid parity by 2022. It has plans for deployment of 20 GW of solar power by 2022.

- Imposition of carbon cess of Rs. 50 per tonne for all domestic and imported coal based projects. The funds raised will be utilised to drive development in the renewable energy sector.
- Created a framework for issuance and trading of Renewable Energy Certificates (RECs) which will allow generators of renewable energy to obtain additional revenues by selling these certificates to the distribution Companies

With increasing focus on environment related issues, power projects employing clean and environment-friendly technology (hydroelectric and other renewable energy sources) are also earning carbon credits, which are traded extensively in the international market; thus providing generation Companies an additional source of revenue.

Key risks and concerns

Power sector is a highly capital intensive business with long gestation periods before commencement of revenue streams (development and construction period of 7-8 years) and an even longer operating period (over 25 years). Since most of the projects have such a long time frame, there are some inherent risks in both the 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 concerns being faced by the sector currently are:

1. Coal supply position

More than 50 per cent of India's generation capacity is coal based. According to the Integrated Energy Policy, by FY31-32, India would require 2,040 million tonnes of coal for power generation, more than five times its current consumption levels. The shortage of coal is so acute that most of the power generation Companies are looking at imported coal as a viable alternative to domestic coal.

The total imported non coking coal quantity has increased more than three times within the last five years and is expected to go up at a much faster rate due to the shortage in domestic coal availability. The increase in the prices of imported coal is a matter of serious concern and there is an urgent need to undertake a review of the mechanism for passing on the increasing coal costs to end-consumers.

Realising this, the government has recently announced some policy changes and initiatives in coal mining. Currently coal blocks are awarded to private sector Companies through a Screening Committee. The government has amended the Mines and Minerals (Development and Regulation) Act, 1957, so that the allocation process by the Screening Committee is replaced by a transparent bidding process.

2. Gas availability position

Natural gas production in the Country has been falling continuously over the last two years primarily due to the fall in production from KG-D6 – from a high of over 60 mmscmd in 2010 to less than 30 mmscmd in 2012. This has not only resulted in a significant decrease in the operating performance of existing gas based power plants in the Country but may also impact the performance of upcoming gas based power capacities. High capacity addition of gas based power projects in the last few years

Management Discussion and Analysis

may lead to a large number of stranded assets unless a pooling mechanism is implemented by the government.

3. Weak financial condition of electricity distribution Companies

The financial health of electricity distribution Companies (discoms) is an area of major concern threatening the very viability of the power sector. The inability of discoms to generate adequate resources is affecting their ability to make capital investment, borrow funds at competitive rates and make timely payments. Book losses of the utilities are rising with increasing power purchase costs without commensurate increase in tariffs. Further, the Aggregate Technical and Commercial (AT&C) losses of the utilities are still at very high levels. The average of the AT&C losses reported by Indian distribution utilities is almost 30 per cent. AT&C losses in Indian utilities vary from one state to another. The cumulative losses incurred by the distribution Companies is projected to rise to Rs. 116,089 crore by FY 2014-15 assuming 2008 tariff level with no increases, according to a Mercados study for the 13th Finance Commission. In its report on discoms, Power Finance Corporation says that 35 out of the 39 utilities studied were incurring losses, and net worth of 22 utilities was found to be negative. Thus, it is imperative that regular tariff hikes are allowed, in line with the increase in costs with suitable incentives for improvement in their operational efficiencies.

4. Execution risk

Power projects are highly capital intensive and have a long development and construction phase thus exposing them to various macroeconomic as well as project specific risks. During the development phase, a project faces the following key risks:

- Delays in statutory approvals and clearances from the authorities
- Delays in land acquisition
- Non-availability or delays in obtaining fuel, water and transmission linkages
- Availability and cost of capital - both equity and debt funding

During the construction stage which covers the period from the commencement of construction till the commissioning of projects, the key risks that need to be monitored are:

- Delays leading to time over-runs
- Increase in project costs leading to cost over-runs
- Challenges in transportation/logistics of equipment
- Hydrological and geological risks in case of hydroelectric projects

During the construction phase, ensuring that all the supply and erection contracts are placed on time and within the cost estimates is a critical challenge and thereafter ensuring that all the vendors and contractors perform their responsibilities as envisaged is a key risk.

Internal control systems and their adequacy

The Company has put in place internal control systems and processes commensurate with its size and scale of operations. An Enterprise Resource Planning System developed by SAP has been

implemented in the Company. The system has control processes designed to take care of various control and audit requirements. In addition, the Company has an Internal Audit function, which oversees the implementation and adherence to various systems and processes and preparation of Financial Statements as per Generally Accepted Principles and Practices. Further, the internal audit group also appoints reputed audit firms to undertake the exercise of Internal Audit at various locations. The report of the Internal Auditors is placed at the Audit Committee Meetings of the Board.

Reliance Power has 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. Under the framework the Company has constituted a Risk Management Committee at both the Corporate Level as well as Project Level to continuously monitor, report and mitigate various risks faced. The outcome of this monitoring is reported to the Audit Committee and to the Board of Directors on a quarterly basis.

Discussion on Operations of the Company

The Company is in the business of setting up and operating power projects and in the development of coal mines associated with such projects. The Company has identified a large portfolio of power projects and is also developing coal mines. Reliance Power's vision is to become one of the largest integrated power generation and coal mining Companies in the world. Of the power projects which the Company is developing, 1,540 MW is already operational while the other power projects are under various stages of development.

1. Operational projects

i. Rosa Phase 1, a 600 MW coal-based power project in Uttar Pradesh

The 600 MW power plant continued to operate at high operational and financial efficiency. For the financial year 2011-12, the plant generated 4,233 million units of electricity, generated revenue of Rs 1,931 crore and net profit of Rs 339 crore. To ensure continued efficient operations at the plant, the Company has installed world class Operations and Maintenance (O&M) systems. There is a strong O&M team at the site supported by an experienced O&M team at the corporate office. A training simulator which is a replica of unit distributed control system has been set up at Rosa for training operation staff at regular frequency. Employees are provided in house training as well as specialised training by the equipment manufacturer.

The Company has installed a centralised fleet wide optimisation and performance management center for monitoring, optimising and condition monitoring of assets across the power stations. Latest reliability centred maintenance techniques have been employed in Rosa which gives the project significant benefits in terms of diagnostics and preventive maintenance and reduction of outages.

ii. Rosa Phase 2, a 600 MW coal-based power project in Uttar Pradesh

The year 2012 saw the successful commissioning of the second phase of 600 MW of the Rosa power

project, four months ahead of schedule, resulting in a total capacity of 1,200 MW. The entire capacity is being sold to Uttar Pradesh on a regulated tariff basis and it is expected to provide electricity sufficient for 30 lakh households, thus acting as a significant catalyst for the economic development of India's largest state

iii. **Solar Photovoltaic (PV), a 40 MW solar power project in Rajasthan**

In line with its vision and commitment to become India's largest clean, energy Company, the Company successfully commissioned India's largest solar photovoltaic project, a 40 MW project in Rajasthan in March 2012. The project was built in a record time of just 129 days and will displace more than 60,000 metric tonnes of carbon dioxide emissions per year. This is the equivalent of taking 25,000 cars off the road.

iv. **Butibori, a 600 MW coal-based power project in Maharashtra**

Vidarbha Industries Power Limited (VIPL), is currently developing a 600 MW coal-based power project (two units of 300 MW each) with subcritical technology located at Butibori, Maharashtra Industrial Development Corporation (MIDC) in Nagpur, Maharashtra. The first 300 MW unit has been successfully synchronized and the power plant is expected to be fully commissioned in 2012.

2. **Projects under development and execution**

Reliance Power is developing a number of large and medium sized power projects making it one of the largest portfolios of power generation assets under development in India.

These power projects are planned to be diverse in geographic location, fuel type, fuel source and off-take, and each project is planned to be strategically located near an available fuel supply or load center. The Company intends to sell the power generated from these projects under a combination of long-term and short-term PPAs to state-owned and private distribution companies and industrial consumers.

A brief on the developments on these projects follows.

Coal-based Projects

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

The project is being developed by Sasan Power Limited (SPL), a wholly owned subsidiary of Reliance Power. Reliance Power was awarded the Sasan project following an international competitive bidding process and the project will be selling power to 14 Procurers comprising seven states. The project will use coal from the captive coal blocks allocated for the project. The commissioning of the units at Sasan would commence in the financial year 2012-13. The construction activities at the project are progressing as per plans. The Company has also made significant progress in the development of coal mines allocated for the Sasan project. Coal production from the mines is expected to

commence before the commissioning of the first unit of Sasan UMPP.

ii. **Krishnapatnam Ultra Mega Power Project, a 3,960 MW imported coal-based Project in Andhra Pradesh**

Coastal Andhra Power Limited (CAPL), a wholly owned subsidiary of the Company is developing the project. Reliance Power was awarded the Krishnapatnam project following an International Competitive Bidding process and it will be selling power to 11 Procurers comprising four states. However, the project is facing issues relating to change in regulations in Indonesia and the Company had issued notice to the procurers for an amicable resolution of the issues under the Power Purchase Agreement (PPA). Since the procurers did not respond to the notice for dispute resolution, the Company has filed a statement of claim in the Indian Council of Arbitration under the Indian Arbitration and Conciliation Act 1996. The procurers on the other hand have initiated the process for terminating the PPA against which the Company is pursuing its appeal in the Delhi High court and the matter is sub-judice.

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

Chitrangi Power Private Limited (CPPL), a wholly owned subsidiary of Reliance Power, has plans to develop a 3,960 MW coal-based power project at Madhya Pradesh. The coal required for the project is likely to be sourced from the captive coal mines allocated to Reliance Power. The Company intends to sell the power through long term contracts.

iv. **Tilaiya Ultra Mega Power Project, a 3,960 MW pithead coal-based power project in Jharkhand**

Jharkhand Integrated Power Limited (JIPL), a wholly owned subsidiary of Reliance Power is developing the Tilaiya Ultra Mega Power Project at Hazaribagh District in Jharkhand. The project was awarded to Reliance Power under international competitive bidding process and will be selling power to 18 procurers from ten states in Northern, Western and Eastern India. The project would be using coal from the captive coal mine blocks awarded along with the project.

Gas Based Power Projects

v. **Samalkot Power Project, a 2,400 MW gas based project, in Andhra Pradesh**

The Company is implementing, India's largest gas based power project, the 2,400 MW Samalkot project, in Andhra Pradesh and the project is awaiting allocation of gas from the government for generating power.

Hydroelectric Power Projects

The Company is developing various hydroelectric power projects 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 various

Management Discussion and Analysis

milestones and are likely to be developed in the next few years. The 700 MW Tato II power project in Arunachal Pradesh has received the Techno- Economic Clearance from the Central Electricity Authority.

Renewable Power Projects

The Company has plans to have a portfolio of projects which are based on renewable energy such as Wind and Solar. Rajasthan Sun Technique Energy Private Limited (RSTEPL), a wholly-owned subsidiary, is developing a 100 MW Concentrated Solar Power project (CSP) in Jaisalmer, Rajasthan. Solar power generated from this plant will be sold to NTPC Vidyut Vyapar Nigam (NVVN). The project is scheduled for commissioning in 2013. Reliance Clean Power Private Limited, another subsidiary, is developing a 45 MW wind farm in Maharashtra which is expected to be commissioned in 2012.

Coal Mines

The Company has been allocated coal mines in India along with the Ultra Mega Power Projects. The Company has prepared mine plans for taking out coal from these mines and the mine plans have been approved by the Ministry of Coal for producing up to 65 MTPA. The Company has also acquired coal mine concessions in Indonesia for which it is finalising plans to produce up to 30 MTPA. The development of the mines are in different stages and are linked to the schedule of the projects for which the coal would be used.

Coal Bed Methane (CBM) Blocks

The Company has stakes in four Coal Bed Methane (CBM) blocks and one oil and gas block. Drilling work has been completed in one of the CBM blocks while exploratory work is in progress in all the blocks.

Clean Development Mechanism (CDM)

Clean Development Mechanism (CDM) is one of the three market based mechanisms agreed under the Kyoto Protocol to reduce Greenhouse Gases (GHG). CDM encourages project developers, in the developing countries, to adopt environmental friendly technologies and/or fuels so that the GHG emissions can be reduced. Such reduced GHG emissions will enable the developers of those projects to generate Certified Emission Reductions (CERs). Such a move allows developing countries to implement GHG emission reduction projects in a manner that they assist developed countries to meet their GHG limitation targets in a cost-effective manner.

The Company has successfully registered all its three Ultra Mega Power Projects (UMPPs) with the CDM Executive Board. The three UMPPs would together generate approximately 55 million CERs in the first ten years of their respective operations.

Health, safety and environment

The Company attaches utmost importance to safety standards at all its installations. Necessary steps are regularly undertaken to ensure the safety of employees and equipment. Both external and internal safety audits are regularly conducted. Mock drills are conducted to gauge emergency and crisis management preparedness. The Board has also constituted a committee

comprising of Independent Directors to have oversight on these issues and to monitor and report to the Board actions being taken in this regard.

Human Resources

The Company has been building up its human resources for the implementation of its large power capacity addition program. The Company has over 1,200 professionals. Teams have been put in place both at the Corporate Office and in all the project locations. The Company has adopted a strategy of putting senior and experienced (in the power sector) professionals as Project Leaders and Functional Heads and teams are being built around them. Considering the fact that many of the power projects are located in remote areas, suitable compensation schemes as well as facilities for townships with education and medical facilities are being planned. The Company also has a Graduate Engineer Trainee Program under which Graduate Engineers are recruited and trained for working in Power Plants. These Graduate Engineers are recruited through a national level competition offering opportunities to all the meritorious candidates across the country. The selection process involves online screening of the candidates followed by group discussion and personal interviews. The Company is planning to have simulators at various project locations where operational training services can be provided.

Discussion on Financial Condition and Financial Performance

Financial Condition

Reliance Power is the Holding Company with the following subsidiary companies which have developed/are developing various power projects.

Company	Project
Rosa Power Supply Company Limited	Rosa Stage I and Stage II
Vidarbha Industries Power Limited	Butibori
Sasan Power Limited	Sasan UMPP
Coastal Andhra Power Limited	Krishnapatnam UMPP
Chitragiri Power Private Limited	Chitragiri
Jharkhand Integrated Power Limited	Tilaiya UMPP
Siyom Hydro Power Private Limited	Siyom
Urthing Sobla Hydro Power Private Limited	Urthing Sobla
Tato Hydro Power Private Limited	Tato II
Kalai Power Private Limited	Kalai II
Amulin Hydro Power Private Limited	Amulin
Emini Hydro Power Private Limited	Emini
Mihundon Hydro Power Private Limited	Mihundon
Samalkot Power Limited	Samalkot
Rajasthan Sun Technique Energy Private Limited	Solar CSP
Dahanu Solar Power Private Limited	Solar PV
Reliance Clean Power Private Limited	Wind Power

Reliance Power Limited

Management Discussion and Analysis

An extract of the Consolidated Balance Sheet is placed below:

	Rupees in Lakhs	
Particulars	2011-12	2010-11
Shareholders' Fund	1,757,112	1,683,344
Long Term Borrowings	1,426,271	552,526
Other Non Current Liabilities	387,257	39,669
Current Liabilities	355,254	313,596
Total	3,925,894	2,589,135
Fixed Assets	2,836,902	913,473
Other Non Current Assets	519,088	872,643
Current Investments	141,046	465,599
Other Current Assets	428,858	337,420
Total	3,925,894	2,589,135

Long term borrowings have increased to ₹ 14,262.71 crore from ₹ 5,525.26 crore.

Fixed assets have increased to ₹ 28,369.02 crore from ₹ 9,134.37 crore.

Current investments were at ₹ 1,410.46 crore in FY12 end as compared to ₹ 4,655.99 crore in FY11 end.

Financial Performance

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

Particulars	2011-12	2010-11
Income		
Sale of energy	195,839	102,368
Income from Other Operations	6,082	3,108
Dividend Income	16,663	19,095
Profit on redemption of MFs	19,780	53,149
Miscellaneous Income	38,314	14,083
Total	276,678	191,803
Expenditure		
Cost of Fuel	112,854	55,965
Other Operating Expenditure	4,537	2,324
Employee Benefits Expenses	5,961	7,690
General, Administration & Other Expenses	16,180	16,595
Depreciation / Amortization	12,145	10,088
Finance Cost	29,762	21,952
Total	181,439	114,614
PBT	95,239	77,189
Taxes	8,561	1,145
PAT	86,678	76,044
EPS (Rupees) (basic and diluted)	3.09	2.94

Corporate Governance Report

Our 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 beyond regulatory requirements

Our governance practices go beyond the mere letter of statutory and regulatory requirements. With this in mind, we have formulated a number of policy documents and introduced the following set of governance practices:

A. Values and commitments

We have set out and adopted policy documents 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, insider 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 Board's supervisory role from the executive management

In line with the best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the offices of Chairman and the Chief Executive Officer.

E. Prohibition of insider trading policy

This document contains the policy on prohibiting trading in the equity shares of the Company, based on inside 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

Our Whistle Blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

H. Environment policy

The Company is committed to achieving excellence in

Corporate Governance Report

environmental performance, preservation and promotion of clean environment. These are of fundamental concern in all our business activities. A dedicated Committee of the Board comprising of majority of Independent Directors was set up in the last year to address environmental aspects, health, safety, security, rehabilitation and resettlement of persons affected by the Company's projects. As a voluntary initiative, the above is indicative of the Company's commitment as a responsible corporate citizen to promote a clean and green environment and discharge its responsibilities to the Society.

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

i. Chairman

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

ii. Board charter

The Board of Directors has adopted a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and functions of various Board committees, etc.

iii. Board committees

The Board has, *inter alia*, constituted the Audit Committee, Nomination/Remuneration Committee, Shareholders/Investors Grievance Committee and Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee. The Board rotates the Chairmen of these Committees.

iv. Tenure of independent Director

Tenure of independent Directors on the Board of the Company shall not extend beyond nine years, subject to their re-appointment on retirement by rotation as per statutory provisions.

v. Independent Director's interaction with shareholders

Member(s) of the Shareholders / Investors Grievance Committee interact with shareholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

vi. Lead independent Director

Recognizing the need for a representative and spokesperson for the independent Directors, the board has appointed an independent Director as the lead independent Director.

The lead independent Director performs the following roles, in addition to playing the role of a non-executive independent Director:

- a. presides over all executive sessions of the Board's independent Directors;
- b. works closely with the Chairman to finalise the information flow, meeting agendas and meeting schedules;

- c. liaises between the Chairman and the independent Directors on the Board; and
- d. takes a lead role along with the Chairman, in the Board evaluation process.

Dr. Yogendra Narain is the lead independent Director as designated by the Board. The position of the lead independent Director is rotated.

vii. Training of Board Members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, 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. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global 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.

viii. Meeting of independent Directors with operating teams

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

ix. Commitment of Directors

The meeting dates for the entire financial year are scheduled at 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 their attendance at the meetings of the board and its committees.

K. Governance practices being followed to promote the interests of our stakeholders

We have introduced several trend setting governance practices to improve stakeholders satisfaction. Some of the major ones among them are:

i. Employees

In our relentless pursuit of driving, 'operational excellence', and our resolve to make Reliance Power a "Great Place to Work", we focus on evolving efficient

and agile organization structures, relentlessly driving capability, leadership and culture building and acquiring, developing and retaining high quality talent. We review and revise our HR policies constantly to align them to the market and industry benchmarks, making them increasingly transparent and employee-friendly. These policies have been extensively communicated to employees and automated.

We have a dedicated service portal which offers various online HR services and facilities to employees. Some of these facilities are; details of current and past salaries, income-tax computations, attendance and leave management, goal setting with relevant Key Performance Indicators (KPIs), potential assessment module, performance evaluation system, feedback mechanism, reward and recognition policy, grievance redressal system, exit interviews, training and development module, etc.

We regularly conduct an employee engagement survey through an independent external organization aimed to identify the areas of strengths as well as those which need improvement. The results of this survey are communicated to all employees and appropriate action is initiated to enhance employee satisfaction based on their feedback. As a means of providing accelerated career growth to high performing talent, we have a pilot program of assessment centers, wherein employees who have a proven track record are put through a rigorous assessment program for higher roles.

We have institutionalised a leadership development process, linked to Reliance DNA & leadership competencies, which identifies high potential talent on a periodic basis and provides necessary learning interventions to help them take on larger responsibilities and roles.

ii. Shareholders

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. To ensure this, the Company's corporate website; www.reliancepower.co.in has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Shareholders can contact RPower via dedicated shareholders contact points as provided in this report or through any of Investor Service Centers of the Company's Registrar and Transfer Agent spread in more than 80 cities across India, details of which are available on the Company's website.

iii. Lenders

The Company has been prompt in honouring all debt obligations to its lenders.

iv. Society

The Company, in keeping with its Corporate Social Responsibility policy, focuses on healthcare, education,

and other social initiatives. As part of the above initiative, a dedicated Committee of the Board addresses issues relating to the environment, health, safety, security and rehabilitation and resettlement of persons affected at the Company's project sites.

L. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

M. Independent Statutory Auditors

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

- i. M/s Price Waterhouse, Chartered Accountants
- ii. M/s Chaturvedi & Shah, Chartered Accountants

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 on corporate governance of LSE, though the same is not applicable to the Company. However, the Company's corporate governance practices conform to these codes and rules.

Compliance with clause 49 of the listing agreement

The Company is fully compliant with the mandatory requirements of Clause 49 of the listing agreement formulated by the Securities and Exchange Board of India.

We present our report on compliance of governance conditions specified in Clause 49 of the listing agreement:

I. Board of Directors

1. Board Composition – Board strength and representation

The current strength of the Board of Directors of the Company is four.

The composition of and the category of Directors on the Board of the Company during the year was as under:

Category	Particulars of the Directors
Promoter, Non-Executive and Non-Independent Director	Shri Anil D. Ambani, Chairman
Independent Directors	Shri S. L. Rao* Shri J. L. Bajaj Dr. Yogendra Narain
Non-Executive and Non-Independent Director	Dr. V. K. Chaturvedi

*Shri S. L. Rao was appointed as an Independent Director of the Company on September 30, 2007 as a representative of Reliance Infrastructure Limited (RInfra) which is a promoter Company with a significant equity holding in the Company.

Corporate Governance Report

Shri Rao had completed on April 20, 2012, three consecutive terms of office of three years each as an Independent Director in RInfra. In line with the Group's corporate governance policy and in accordance with the recommendatory provisions of clause 49 in the Listing agreement relating to corporate governance, Shri Rao has relinquished office as a Director in RInfra effective from April 20, 2012.

In consequence of the above, he has also relinquished his office as a Director in RPower effective from April 20, 2012.

Notes:

- a. None of the Directors is related to any other Director.
- b. None of the Directors has any business relationship with the Company.
- c. None of the Directors has received any loans and advances from the Company during the year.

All the independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

Shri Ramaswami Kalidas is the Company Secretary pursuant to the requirements of Section 383A of the Companies Act, 1956. He has also been made the Manager of the Company in terms of the provisions of the Companies Act, 1956, for a period of five years with effect from May 27, 2011.

2. Conduct of Board proceedings

The day-to-day business is conducted by the executives and the business heads of the Company under the direction of the designated CEO and the supervision of the Board led by the Chairman. The Board holds minimum 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 specific functions in addition to overseeing the business and the management.

- review, monitor and approve major financial and business strategies and corporate actions;
- assess critical risks facing the Company – review options for their mitigation;

- provide counsel on the selection, evaluation, development and compensation of senior management;
- ensure that processes are in place for maintaining the integrity of
 - a. the Company;
 - b. the financial statements;
 - c. compliance with law;
 - d. relationship with all the stakeholders;
- delegation of appropriate authority to the senior executives of the Company for effective management of operations.

3. Board meetings

The Board held four meetings during FY 2011-12 on the following dates:

May 27, 2011, August 11, 2011, November 8, 2011 and February 13, 2012.

The maximum time gap between any two meetings was 96 days and the minimum gap was 75 days.

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

4. Standards issued by ICSI

The Institute of Company Secretaries of India (ICSI) has issued various 'Secretarial Standards' on key corporate functions like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of common Seal, Forfeiture of Shares and Board's Report.

Although these standards are not mandatory, the Company adheres to them voluntarily.

5. Attendance of Directors and other Directorships

Attendance of the Directors at the Board Meetings held during FY 2011-12 and at the last Annual General Meeting (AGM) held on September 27, 2011, details of Directorships (calculated as per provisions of Sections 275 and 278 of the Companies Act, 1956), Committee Memberships and the Committee Chairmanships, held by Directors as on March 31, 2012 are as under:

Name of the Director	Number of Board Meetings attended out of four meetings held during the tenure	Attendance at the Last AGM held on 27-09-2011	No. of Directorships (including RPower)	Committee(s) position (including RPower)	
				Member ^a	Chairman ^b
Shri Anil D. Ambani	4	Present	6	1	None
Shri S. L. Rao*	4	Present	6	5	3
Shri J. L. Bajaj	3	Present	5	4	3
Dr. Yogendra Narain	2	Absent	1	1	None
Dr. V. K. Chaturvedi	4	Present	1	2	None

*Shri S. L. Rao has ceased to be a Director of the Company with effect from April 20, 2012.

Notes:

- a. The information provided above pertains to the following Committees constituted in accordance with the provisions of Clause 49 of the listing agreement: i. Audit Committee, and ii. Shareholders/Investors Grievance Committee.
- b. Membership of Committees includes chairmanship, if any.

6. Other directorships

None of the Directors hold directorships in more than 15 public limited Companies.

7. Membership of Board committees

None of the Directors has membership in more than 10 Committees of the Board and Chairmanship of more than 5 Committees of the Board, across the Companies with which they are associated as Directors.

8. Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

Shri Anil D. Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil D. Ambani, 53, is the Chairman of Reliance Communications Limited, Reliance Capital Limited, Reliance Infrastructure Limited and Reliance Power Limited. He is also on the board of Reliance Infratel Limited and Reliance Anil Dhirubhai Ambani Group Limited. He is the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat. The Group Companies are engaged in leading businesses that provide cutting edge services to empower and enrich the lives of one out of every five Indians.

He is a Member of Shareholders / Investors Grievance Committee of Reliance Communications Limited.

An MBA from the Wharton School of the University of Pennsylvania, Shri Ambani is credited with having pioneered several path-breaking financial innovations in the Indian capital markets. He spearheaded the Country's first forays into the overseas capital markets with international public offerings of global depository receipts, convertibles and bonds. Under his Chairmanship, the constituent Companies of the Reliance Group had raised nearly US\$ 7 billion from global financial markets in a period of less than 3 years.

Shri Ambani has been associated with a number of prestigious academic institutions in India and abroad.

He is currently a Member of:

- Wharton Board of Overseers, The Wharton School, USA
- Board of Governors, Indian Institute of Management (IIM), Ahmedabad
- Executive Board, Indian School of Business (ISB), Hyderabad.

In June 2004, Shri Ambani was elected as an Independent member of the Rajya Sabha – Upper House, Parliament of India, a position he chose to resign voluntarily in March, 2006.

Shri Ambani is also recognized by the Indian government as a visionary and torch bearer for the overall growth and development of modern infrastructure in the Country. He is a regular invitee to top level consultation programmes that the Prime Minister's Office and other key central ministries conduct with corporate leaders in India towards creating and reforming policies and regulatory frameworks for the infrastructural growth in the Country. The Prime Minister has recently nominated Shri Ambani as the Co-Chair from the Indian side of the India-China CEO Forum. In recent years,

Shri Ambani has also been a trend setter for Corporate India in achieving multi-billion dollar investments from leading financial institutions in the US and China for infrastructure development in India.

Select Awards and Achievements

As one of the India's youngest business leaders, Shri Ambani has received National and International acclaim for his vision and leadership. Specific awards and recognitions include –

- Ranked in the 4th place amongst its list of India's Top 100 CEOs by the Economic Times, India most influential newspaper in 2009 as well as in 2010.
- Included in its selection of 50 notable business leaders from emerging markets in 2010 by the UK-based Financial Times
- Ranked as the third most powerful and influential person of India in its list of 50 such luminaries by India Today magazine in 2009.
- Also included in a similar list by the US-based Business Week magazine in 2009.
- Awarded by Light Readings as the Person of the Year – 2008 for outstanding achievements in the communication industry.
- Voted 'the Businessman of the Year' in a poll conducted by The Times of India – TNS, December, 2006.
- Voted the 'Best role model' among business leaders in the biannual Mood of the Nation poll conducted by India Today magazine, August 2006.
- Conferred with 'the CEO of the Year 2004' award at the Platts Global Energy Awards.
- Conferred 'The Entrepreneur of the Decade Award' by the Bombay Management Association, October 2002.
- Awarded the First Wharton Indian Alumni Award by the Wharton India Economic Forum (WIEF) in recognition of his contribution to the establishment of Reliance as a global leader in many of its business areas, in December, 2001.

As on March 31, 2012, Shri Anil D. Ambani held 4,65,792 equity shares in the Company, including 1,000 equity shares held jointly with AAA Project Ventures Private Limited.

Shri J. L. Bajaj

Shri J. L. Bajaj, 73, is former Chairman of Uttar Pradesh Electricity Regulatory Commission (UPERC). He retired from the Indian Administrative Service in the rank of Secretary to Government of India. In the Government of India, he held positions as Advisor (Industry) Planning Commission and Additional Secretary in the Department of Economic Affairs. He was also Chairman, Administrative Reforms and Decentralisation Commission, Agriculture Production Commissioner, Secretary Planning and Secretary Finance in the Government of Uttar Pradesh. He has conducted studies for national and international institutions including the World Bank, Department for International Development (DFID) and United Nations Development Programme (UNDP). He has advised Governments and institutions in Malaysia, Sri Lanka, Jamaica, China and Mongolia as well as State Governments in India. He has

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authored a number of books and articles which have been published in national and international journals. He is on the Board of IL &FS Trust Company Limited, Uttarakhand Power Corporation Limited and Power Transmission Corporation of Uttarakhand Limited.

He is a Member of Audit Committee of IL&FS Trust Company Limited, Chairman of Audit Committee as well as Shareholders/Investors Grievance Committee of the Company. Shri Bajaj holds 27 shares of the Company as on March 31, 2012.

Dr. Yogendra Narain

Dr. Yogendra Narain, 69, is a former Secretary-General, Rajya Sabha - the Upper House of the Parliament of India. Dr Yogendra Narain retired from the Indian Administrative Services after serving for over 42 years. He has worked in various capacities in the administration in the State of Uttar Pradesh and the Government of India. He served as Principal Secretary, Power and Irrigation, Uttar Pradesh. He also served as the Principal Secretary to the Governor, Uttar Pradesh; as Secretary, Ministry of Surface Transport, Government of India; Chief Secretary, Government of Uttar Pradesh and Defence Secretary to the Government of India. He is also the founder-Chairman of the Greater NOIDA Industrial Development Authority and the founder-Chairman of the National Highways Authority of India. Dr. Narain holds degrees such as B.Sc., M.A. (Political Science), Diploma in Development Economics, M. Phil and Ph. D.

He is a Member of Audit Committee and the Shareholders / Investors Grievance Committee of the Company. He is also the Chairman of the Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee of the Board. Dr Narain does not hold any shares in the Company as on March 31, 2012.

Dr. V. K. Chaturvedi

Dr. V. K. Chaturvedi, 69, is a former Chairman & Managing Director of Nuclear Power Corporation of India Limited. He has also been a Member of the Atomic Energy Commission, Government of India and Chairman of World Association of Nuclear Operators (WANO), Tokyo Centre and also a Governor in the International WANO Board, London for 2 years. Dr Chaturvedi is a gold medalist in mechanical engineering (1965 batch) from Vikram University and later he did his post-graduation in nuclear engineering from BARC training school, Mumbai. He has over 46 years of experience in relation to design, construction, commissioning and operation of nuclear power plants. He was conferred the 'Padma Shri' in the year 2001, one of India's highest civilian awards. He is also a recipient of number of other prizes and awards.

He is presently Member of Audit Committee and Shareholders / Investors Grievance Committee of the Company. Dr Chaturvedi does not hold any shares in the Company as on March 31, 2012.

9. Insurance Coverage

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

II. Audit Committee

In terms of Clause 49 of the listing agreement as well as Section 292A of the Companies Act, 1956, the Board has constituted the Audit Committee of the Board of Directors. During the financial year 2011-12, the Audit Committee consisted of Shri J. L. Bajaj, Shri S. L. Rao, Dr. Yogendra Narain and Dr. V. K. Chaturvedi. Effective from April 20, 2012 Shri S. L. Rao has ceased to be a Member of the Committee, having relinquished his office as a Director with effect from the said date. The Audit Committee is chaired by Shri J L Bajaj, who has wide experience on economic and financial issues. All Members of the Committee are financially literate.

The Audit Committee, *inter alia*, advises the management on areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved. The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49(II) of the listing agreement as follows:

- i. 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;
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors,
- iv. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - 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. qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. 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 document/prospectus/notice and the report submitted by the monitoring agency,

monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- vii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- viii. 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;
- ix. Discussion with internal auditors any significant findings and follow up thereon;
- x. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xi. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xii. 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;
- xiii. To review financial statements of Subsidiary companies, in particular its Investments;
- xiv. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- xv. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background, etc. of the candidate;
- xvi. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- xvii. Review of information by Audit Committee:
 - 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 shall be subject to review by the Audit Committee.

The Audit Committee has the following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek information from any employee.
- iii. to obtain outside legal or other professional advice.

- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Attendance at the meetings of the Audit Committee held during 2011-12

The Audit Committee held its meetings on May 26, 2011, August 10, 2011, November 8, 2011, December 5, 2011 and February 13, 2012 and the maximum gap between any two meetings was 89 days and the minimum gap was 26 days.

Members	Meetings held during the tenure of Directors	Meetings attended
Shri J. L. Bajaj, Chairman	5	4
Shri S. L. Rao*	5	5
Dr. Yogendra Narain	5	3
Dr. V. K. Chaturvedi	5	5

*Shri S. L. Rao, has ceased to be a Member of the Committee effective from April 20, 2012.

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

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

Shri Ramaswami Kalidas, Company Secretary, acts as the Secretary to the Audit Committee.

During the year, the Committee discussed with the Company's auditors the overall scope and plans for an independent audit. The Management represented to the Committee that the Company's financial statements were prepared in accordance with prevailing laws and regulations. The Committee discussed the Company's audited financial statements, the rationality of significant judgments and the clarity of disclosures in the financial statements. Based on the review and discussions conducted with the Management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are 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 expressed its satisfaction with the same. The Committee, after review expressed, its satisfaction on the independence of both the internal and the statutory auditors.

Based on the Committee's discussion with the Management and the auditors and the Committee's review of the representations of the Management, the Committee has recommended the following to the Board of Directors:

1. The audited unabridged annual financial statements of the Company for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status of the Company.
2. The audited abridged financial statements of the Company for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status of the Company.

Corporate Governance Report

3. The audited unabridged consolidated financial statements of the Company, its subsidiaries and joint operations for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status.
4. The audited abridged consolidated financial statements of the Company, its subsidiaries and joint operations for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status.

III. Nomination / Remuneration Committee

The Nomination/Remuneration Committee of the Board has been constituted to formulate from time to time (a) processes for selection and appointment of new Directors and succession plans and (b) recommend to the Board from time to time, a compensation structure for Directors and the Manager. The Nomination/Remuneration Committee comprises of Dr. V. K. Chaturvedi, Dr. Yogendra Narain and Shri J. L. Bajaj. Dr. V. K. Chaturvedi is the Chairman of the Committee.

Shri S. L. Rao ceased to be a Member of the committee with effect from April 20, 2012 and in his place Dr. Yogendra Narain was appointed as a Member.

Shri Ramaswami Kalidas, Company Secretary, acts as the Secretary to the Nomination / Remuneration Committee.

Details of service contract

Shri Ramaswami Kalidas, was appointed as the Manager for a period of 5 years effective from May 27, 2011.

Managerial remuneration policy

The Nomination/Remuneration Committee determines and recommends to the Board, the compensation of the Directors and the Manager.

The key components of the Company's remuneration policy are:

- a. compensation will be a major driver of performance.
- b. compensation will be competitive and benchmarked with a select group of companies from the utility sector.
- c. compensation will be transparent, fair and simple to administer.
- d. compensation will be fully legal and tax compliant.

One meeting of the Committee was held during the year 2011-12, which was attended by all the Members of the Committee.

All the Directors, being non-executive, were paid only sitting fees for attending the meetings of the Board and its Committees, as under:

Details of Sitting Fees paid to non-executive Directors during the year 2011-12:

Directors	₹ in lakh
Shri Anil D. Ambani	0.80
Shri S. L. Rao*	3.40
Shri J. L. Bajaj	2.60
Dr. Yogendra Narain	1.40
Dr. V. K. Chaturvedi	3.40
Total	11.60

*Shri S. L. Rao, Director has relinquished his position effective from April 20, 2012

Notes :

- a. The Company did not pay any amount to Directors by way of salary and perquisites.
- b. The Company did not pay any amount to Directors by way of commission.
- c. The Company has so far not issued any stock options to its Directors.
- d. There were no other pecuniary relationships or transactions of non-executive Directors vis-à-vis the Company.
- e. Pursuant to the limits approved by the Board, all non-executive Directors are paid sitting fees of ₹ 20,000 for attending each meeting of the Board and its Committees.

IV. Shareholders / Investors Grievance Committee

During the year, the Shareholders / Investors Grievance Committee comprised of Shri J. L. Bajaj as Chairman and Shri S. L. Rao and Dr V. K. Chaturvedi as Members.

As Shri S. L. Rao has relinquished his office as a Director effective from April 20, 2012, in his place Dr Yogendra Narain has been made a Member of the committee with effect from May 24, 2012.

The Company has appointed Karvy Computershare Private Limited to act as Registrar and Transfer Agent of the Company.

The Committee, *inter alia*, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also monitors redressal of investor's grievances. Particulars of investors' grievances received and redressed are furnished in the Investor Information section of this Report. The Committee oversees the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Shareholders / Investors Grievance Committee held its meetings on May 26, 2011, August 10, 2011, November 8, 2011 and February 13, 2012 and the maximum gap between any two meetings was 96 days and the minimum gap was 75 days.

Attendance of Members at the meeting of the Shareholders / Investors Grievance Committee held during FY 2011-12:

Member	Meetings held during the tenure of Directors	Meetings attended
Shri J. L. Bajaj	4	3
Shri S. L. Rao	4	4
Dr. V. K. Chaturvedi	4	4

Dr. Yogendra Narain was inducted into the above Committee on May 24, 2012 consequent upon Shri S. L. Rao's relinquishment from the Board.

Reliance Power Limited

Corporate Governance Report

Shri Ramaswami Kalidas, Company Secretary acts as the Secretary to the Shareholders / Investors Grievance Committee.

V. Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee

The Committee comprised of the following Directors:

1. Dr. Yogendra Narain
2. Shri S. L. Rao*
3. Shri J. L. Bajaj
4. Dr. V. K. Chaturvedi

* Ceased to be a Member of the Committee effective from April 20, 2012.

Dr. Yogendra Narain is the Chairman of the Committee.

The terms of reference of the Committee *inter alia* include the following:

- a. Review of the Company's health, safety, security and the environmental policies and performance including processes to ensure compliance with applicable laws and regulations.
- b. Reporting to the Board periodically on health, safety, security, environment and rehabilitation issues affecting the Company.
- c. Develop a policy on rehabilitation and resettlement of persons affected by the Company's projects which can be seamlessly integrated with the Company's business objectives.

In achieving its objectives, the Committee shall, where necessary collaborate with local NGOs and voluntary Agencies.

Shri Ramaswami Kalidas, Company Secretary acts as the Secretary to the Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee.

Attendance of Members at the meeting of the Committee held during FY 2011-12:

Member	Meetings held during the tenure of Directors	Meetings attended
Dr. Yogendra Narain	2	2
Shri S. L. Rao*	2	2
Shri J. L. Bajaj	2	1
Dr. V. K. Chaturvedi	2	2

*Shri S. L. Rao, Director has relinquished his position effective from April 20, 2012

VI. Compliance Officer

Shri Ramaswami Kalidas, the Company Secretary is also the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges. He has also been appointed as Manager with effect from May 27, 2011, for a period of five years.

VII. Employees Stock Option Scheme (ESOS) Compensation Committee

The ESOS Compensation Committee comprised of three Directors i.e. Shri S. L. Rao and Shri J. L. Bajaj, Independent

Directors and Dr. V. K. Chaturvedi, Non-executive Director. Shri S. L. Rao was the Chairman of the Committee. The Committee did not meet physically during the year.

Following the relinquishment of office as Director by Shri S. L. Rao effective from April 20, 2012, Dr. Yogendra Narain has been made a Member of the above Committee with effect from May 24, 2012 in place of Shri S. L. Rao. He has also been made Chairman of the above Committee effective from the date stated above.

Shri Ramaswami Kalidas, Company Secretary, acts as the Secretary to the ESOS Compensation Committee.

VIII. Employees Stock Option Scheme

In order to share the growth in value and reward the employees for having participated in the success of the Company, our Employees Stock Option Scheme (the Scheme) has been implemented by the Company to the eligible employees based on specified criteria under Employee Stock Option Plans, which covers eligible employees of the Company and its subsidiaries.

The Plan has been prepared in due compliance of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws.

IX. General Body Meetings

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

Year	Date and Time	Whether Special Resolution(s) passed or not
2010-11	September 27, 2011 - 2.00 p.m.	Yes 1. Issue of equity shares to the Qualified Institutional Buyers 2. Raising of resources through Issue of Securities in the International Markets
2009-10	September 28, 2010 - 10.00 a.m.	No
2008-09	July 28, 2009 - 11.00 a.m	Yes Amendment to the Articles of Association of the Company

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

X. Postal Ballot

The Company had not conducted any Postal Ballot during the year and there is no resolution proposed to be passed by postal ballot at the ensuing Annual General Meeting.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

Corporate Governance Report

XI. Means of communication

- a. **Quarterly Results:** Quarterly Results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily Marathi vernacular newspaper and are also posted on the Company's website www.reliancepower.co.in.
- 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 'Investor Information'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of 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 an user friendly manner. The basic information about the Company as called for in terms of clause 54 of the Listing Agreement with the Stock Exchanges is provided on the Company's website and the same is updated regularly.
- d. **Annual Report:** Annual Report containing, *inter alia*, Audited Annual Accounts (unabridged or abridged), Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms a part of the Annual Report and is displayed on the Company's website.

The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies in terms of which a Company would have ensured compliance with the provisions of Section 53 of the Act, if service of documents have been made through electronic mode. In such a case, the Company has to obtain e-mail addresses of its Members for sending the notices / documents through e-mail giving an advance opportunity to each shareholder to register their e-mail address and changes therein, if any, from time to time with the Company.

The Company has welcomed the Green Initiative and accordingly has e-mailed to all those Members whose e-mail IDs are available with the Company's Registrar and Transfer Agent, the soft copies of the Unabridged Financial Statements for the year ended March 31, 2012.
- e. **Corporate Filing and Dissemination System (CFDS):**

The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed Companies. All disclosures and communications to BSE & NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the stock exchanges.
- f. **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 4030 8000

Fax no. : +91 40 2342 0859

E-mail : rpower@karvy.com

Post your request : <http://kcpl.karvy.com/adag>

- g. **Designated e-mail ID:** The Company has also designated the e-mail-id reliancepower.investors@relianceada.com for investor servicing.
- h. **National Electronic Application Processing System(NEAPS):** The NEAPS is web based system designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed Electronically on NEAPS.
- i. **SEBI Complaints Redress System (SCORES):** The investors' complaints are also being processed through the centralized web base complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, 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. Compliance with other mandatory requirements

1. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under clause 49(IV)(F) of the listing agreement.

2. 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 Company monitors performance of its subsidiary Companies, *inter alia*, by the following means:

- (a) All minutes of Board meetings of the subsidiary Companies are periodically placed before the Company's Board.
- (b) Financial statements, in particular the investments made by the subsidiary Companies, are reviewed quarterly by the Audit Committee of the Company.
- (c) A statement containing all significant transactions and arrangements entered into by the subsidiary Companies is placed before the Audit Committee.
- (d) Quarterly review of Risk Management process by the Risk Management Committee / Board.
- (e) One of the Independent Directors is nominated to the Board of the Subsidiaries as and when a Subsidiary becomes a "material unlisted indian subsidiary" within the meaning of the above expression in accordance with Clause 49 of the listing agreement.

3. Disclosures

a. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

b. Related Party Transactions

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transactions as set out in the notes to accounts, which are not likely to have a conflict with the interest of the Company.

c. Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed under Companies (Accounting Standards) Rules, 2006, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Risk Management

The Company has laid down a robust Risk Management Policy defining risk profiles involving strategic, technological, operational, financial, organisational, legal and regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

A Risk Management Committee (RMC) under the Chairmanship of the designated CEO consisting of Senior Executives of the Company periodically reviews the robustness of the Risk Management Policy. The periodical updates on the Risk Management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

e. Code of Conduct

The Company has adopted the code of conduct and ethics for Directors and senior management.

The code had been circulated to all the Members of the Board and senior management and the same has been put on the Company's website www.reliancepower.co.in. The Board members and senior management have affirmed their

compliance with the code and a declaration signed by the Manager of the Company appointed in terms of the Companies Act, 1956 [i.e the CEO within the meaning of clause 49(V) of the listing agreement] is given below:

"It is hereby declared that the Company has obtained from all Members of the Board and senior management personnel affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2011-12."

Ramaswami Kalidas
Manager

f. CEO and CFO Certification

The Chief Financial Officer and the Manager of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement.

g. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2012 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XIII. Policy on insider trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('the Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company Secretary is 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 trades, 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 shares 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 updated Code is available on the Company's website.

XIV. Compliance with Clause 5A of the Listing Agreement

As per Clause 5A(I) of the Listing Agreement, 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

Particulars	No. of Shareholders	No. of Shares
i. Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2011	5,996	1,56,610
ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year	109	2,759
iii. Number of shareholders to whom shares were transferred from suspense account during the year.	84	2,108
iv. Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2012	5,912	1,54,502

The voting rights on the shares outstanding in the suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

As per Clause 5A(II) of the Listing Agreement, the Company has sent the third reminder for the shares issued in physical form pursuant to 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, which remain unclaimed. Wherever the shareholders claim the shares, after proper verification, the share certificates have been dispatched to them.

The remaining 10,31,989 unclaimed shares have been dematerialised and transferred into one folio under the nomenclature of "Unclaimed Suspense Account" in accordance with the requirement of the listing agreement.

XV. Compliance with non-mandatory requirements

1 Tenure of Independent Directors on the Board

The tenure of Independent Directors on the Board of the Company shall not exceed nine years in aggregate.

2 Nomination/Remuneration Committee

The Board has set up a Nomination/Remuneration Committee details of which are furnished at serial No III of this Report.

3 Disclosures

The quarterly financial results including summary of significant events of relevant period are published in newspapers and posted on the website of the Company.

4 Audit qualifications

There are no audit qualifications on the financial statements of the Company for the year 2011-12.

5 Training of Board members

A programme has been devised to train Board members in the business model of the Company, risk profile of the business parameters and their responsibilities as Directors.

6 Whistle blower policy

The Company has formulated a policy to prohibit managerial personnel from taking adverse action against employees who are disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, gross waste or misappropriation of public funds, substantial and specific danger to public health and safety or an abuse of authority.

The policy also lays down the mechanism for making enquiry into whistle blower complaints received by the Company. Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

Employees knowingly making false allegations of alleged wrongful conduct to the Audit Committee shall be subject to disciplinary action. No personnel of the Company has been denied access to the Grievance Redressal mechanism of the Company.

XVI. Corporate Governance Voluntary Guidelines 2009

The Company has ensured substantially compliance with most of the guidelines issued by the Ministry of corporate Affairs on Corporate Governance in the year 2009 notwithstanding that they are subject to only voluntary compliance by Corporates.

XVII. General shareholder information

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

Auditor's certificate on corporate governance

The Auditor's certificate on compliance of clause 49 of the listing agreement relating to corporate governance is published elsewhere in this report.

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Power, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and to ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

Reliance Power Limited

Investor Information

IMPORTANT POINTS

Hold Securities in Dematerialized Form

Investors should hold their securities in dematerialized 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 as change with Depository Participants gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same 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.

Hold Securities in Consolidated form

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

Register for SMS alert Facility

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

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 are held in dematerialized format.

Form may be downloaded from the Company's website, 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 format prescribed by the Depository Participants.

Deal only with SEBI Registered Intermediaries

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

Corporate Benefits in Electronic Form

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

Register e-mail address

Investors should register their email address with the Company / DPs. This will help them in receiving all communication from the Company electronically at their email address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

Book closure dates for the purpose of AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 25, 2012 to Tuesday, September 4, 2012 (both days inclusive) for the purpose of AGM.

Annual General Meeting (AGM)

The 18th Annual General Meeting of the Members of the Company will be held on Tuesday, September 4, 2012 at 2.00 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

Financial Year of the Company

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

Website: The website of the Company www.reliancepower.co.in contains a sub-menu 'Investor Information'. The basic information about the Company such as details of its businesses, financial information, share holding pattern, compliance with corporate governance, contact information of officials handling investor grievances, etc. is provided in the Company's website and the same is updated regularly.

Dedicated e-mail ID for investors: For the convenience of our investors, the Company has designed an e-mail ID for investors i.e. reliancepower.investors@relianceada.com

Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited
Unit: Reliance Power Limited
Madhura Estates, Municipal No. 1-9/13/C
Plot No. 13 & 13C, Madhapur Village
Hyderabad 500 081, Andhra Pradesh, India
Toll free no. (India) : 1800 4250 999
Tel no. : +91 40 4030 8000
Fax no. : +91 40 2342 0859
e-mail : rpower@karvy.com
Post your request : <http://kcpl.karvy.com/adag>

Shareholders/Investors are requested to forward share transfer documents, dematerialisation requests and other related correspondence directly to Karvy Computershare Private Limited at the above address for speedy response.

Share Transfer System

Shareholders / investors are requested to send share certificate(s) along with the share transfer deed in the prescribed Form 7B, duly filled in executed and affixed with the share transfer stamp, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by Company's RTA.

Investor Information

Permanent Account Number (PAN) for transfer of shares in physical form mandatory

SEBI vide its Circular dated May 20, 2009 has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

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. Members who have not so far encashed their fractional bonus warrants or have not received the fractional bonus warrants are requested to seek issuance of duplicate fractional bonus warrants. Members may write to Karvy Computershare Private Limited, the RTA of the Company for payment of the unclaimed amount against the fractional warrants.

The amount remaining unclaimed for a period of 7 years from the date, on which the funds were made available for distribution amongst members entitled against fractional bonus share are

required to be transferred by the Company to Investor Education and Protection Fund (IEPF).

Unclaimed fractional warrants - Composite Scheme of Arrangement

The Company had issued to the shareholders of Reliance Natural Resources Limited ('RNRL') 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. Members who have not so far encashed their fractional warrants or have not received the fractional warrants are requested to seek issuance of duplicate fractional warrants by communicating with our RTA, Karvy Computershare Private Limited, for payment of their unclaimed amounts due.

The amount remaining unclaimed for a period of 7 years from the date, on which the funds were made available for distribution amongst members entitled against fractional share as per the Scheme, is required to be transferred by the Company to Investor Education and Protection Fund (IEPF).

Shareholding Pattern as on March 31, 2012

Category of Shareholders	As on 31.03.2012		As on 31.03.2011	
	No. of shares	%	No. of shares	%
A Shareholding of Promoter and Promoter Group				
i. Indian	225,58,96,656	80.42	225,58,96,656	80.42
ii. Foreign	-	-	-	-
Total shareholding of Promoter and Promoter Group	225,58,96,656	80.42	225,58,96,656	80.42
B Public Shareholding				
i. Institutions	19,03,31,073	6.79	17,85,70,733	6.37
ii. Non-Institutions	35,83,04,890	12.78	37,00,60,255	13.20
Total Public Shareholding	54,86,35,963	19.56	54,86,30,988	19.56
C Shares held by Custodians and against which depository receipts have been issued	5,93,847	0.02	5,98,822	0.02
Grand Total (A+B+C)	280,51,26,466	100.00	280,51,26,466	100.00

Distribution of shareholding

Number of shares	Number of Shareholders as on 31.03.2012		Total shares as on 31.03.2012		Number of Shareholders as on 31.03.2011		Total shares as on 31.03.2011	
	Holders	%	Shares	%	Holders	%	Shares	%
1 - 500	44,55,814	98.43	21,07,52,493	7.51	48,06,585	98.54	22,28,30,297	7.94
501 - 5,000	68,099	1.50	7,40,83,032	2.64	68,538	1.41	7,37,63,102	2.63
5,001 - 1,00,000	2,506	0.06	3,76,68,207	1.34	2,400	0.05	3,53,12,701	1.26
1,00,001 and above	252	0.01	248,26,22,734	88.50	237	0.00	247,32,20,366	88.17
Total	45,26,671	100.00	280,51,26,466	100.00	48,77,760	100.00	280,51,26,466	100.00

Reliance Power Limited

Investor Information

Dematerialisation of shares

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 dematerialized form as mandated by the Securities and Exchange Board of India (SEBI).

The equity shares of the Company are actively traded on BSE and NSE.

Status of Dematerialisation of Shares

Out of total 280,51,26,466 equity shares, 279,49,63,435 equity shares constituting 99.64 per cent of total equity share capital are held in dematerialized form with NSDL and CDSL as on March 31, 2012.

Investors' grievances attended

Received from	Received during April to March		Redressed during April to March		Pending as on	
	2011-12	2010-11	2011-12	2010-11	31.03.2012	31.03.2011
Securities and Exchange Board of India	189	524	189	524	0	0
Stock Exchanges	54	74	54	74	0	0
NSDL/CDSL	6	11	6	11	0	0
Other (ROC)	11	27	11	27	0	0
Direct from investors	338	808	338	808	0	0
Total	598	1444	598	1444	0	0

Analysis of Grievances

Particulars	Number		%	
	2011-12	2010-11	2011-12	2010-11
Non receipt of Refund Orders/ Credit of shares	12	43	2.01	2.98
Non receipt of Refund Orders	254	640	42.47	44.32
Non Credit of Shares/ Others	215	299	35.95	20.71
Non Credit of bonus Shares/ Others	0	377	0.00	26.11
Non receipt of fractional warrants	97	73	16.22	5.05
Non receipt of Annual Report	20	12	3.34	0.83
Total	598	1,444	100.00	100.00

Note:

- Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving inter face with external agencies or compliance with longer procedural requirements as specified by the authorities concerned.
- The grievances relate substantially to the IPO made by the Company, which elicited responses from more than 5 million applicants, as also the subsequent bonus issue and issue of shares made by the Company to the Shareholders of RNRL pursuant to the Composite Scheme of Arrangement between RNRL and RPower and others, as sanctioned by the Bombay High Court on October 15, 2010.

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	44	28,05,126	2,805.13

Investor Information

Stock Exchange Listings

1. Stock Exchanges on which the shares of the Company are listed

- i. National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No, C/1, G Block
Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
e-mail : cmlist@nse.co.in
website : www.nseindia.com
- ii. Bombay Stock Exchange Limited (BSE)
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort, Mumbai 400 001
E-mail : corp.relations@bseindia.com
website : www.bseindia.com

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

Luxembourg Stock Exchange Undertaking
Societe de la Bourse de Luxembourg, S.A.
BP 165 / L-2011 Luxembourg
E-mail : info@bourse.lu

3. Depository for GDR holders

Depository	Custodian
Deutsche Bank Trust Company Americas, 60 Wall Street New York 10005	Deutsche Bank AG Mumbai Branch 222, Kodak House Post Box No.1142 Fort, Mumbai 400 001

Payment of Listing Fees

Annual listing fees for the year 2012-13 (as applicable) has been paid by the Company to the Stock Exchanges.

Stock Codes/Symbol

Bombay Stock Exchange Limited : 532939
National Stock Exchange of India Limited : RPOWER

Security Code for GDRs

	ISIN	CUSIP	Common Code
Rule 144A GDRs	US75950V1035	75950V103	056264027
Regulation S GDRs	US75950V2025	75950V202	056264019

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.

Stock Price and Volume

Monthly high and low quotations as also the volume of shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

2011 - 12	Bombay Stock Exchange			National Stock Exchange		
	High ₹	Low ₹	Volume No. of shares	High ₹	Low ₹	Volume No. of shares
April '11	137.20	125.65	1,17,66,822	137.45	125.55	3,34,50,639
May '11	131.50	108.15	1,34,29,450	131.50	107.85	4,05,49,042
June '11	122.60	107.50	1,31,85,258	122.60	107.40	3,79,50,928
July '11	119.90	93.20	1,03,58,032	119.90	110.60	2,93,31,182
August '11	113.70	76.95	1,93,84,191	113.95	76.75	5,88,89,311
September '11	87.25	75.25	2,34,21,886	87.25	75.10	7,83,59,207
October '11	95.65	75.90	1,48,09,783	95.90	75.90	4,13,56,653
November '11	105.60	84.30	2,03,18,251	105.90	84.30	6,13,75,010
December '11	91.95	68.50	1,88,29,956	91.95	68.50	6,52,02,102
January '12	103.30	69.40	3,32,29,284	104.70	69.15	10,65,45,385
February '12	133.35	97.40	5,84,81,633	133.50	97.30	17,44,12,650
March '12	139.40	112.40	7,81,24,392	139.40	112.40	24,31,96,936

An Index Scrip

The Equity shares of the Company are actively traded on bourses and included in almost all indices i.e. BSE-100, BSE-200, BSE-500, BSE Sectoral, S&P CNX 500, CNX 200, CNX 100, S&P CNX Nifty, S&P CNX Defty, CNX Infrastructure, CNX Energy, CNX Service and Futures and Options Trading.

Share Price Performance in comparison with broad based indices - Sensex (BSE) and Nifty (NSE) as on March 31, 2012

Period	RPower	Sensex	Nifty
FY 2011-12	-9.87 per cent	-10.50 per cent	-9.23 per cent
2 years	-21.81 per cent	-0.70 per cent	0.88 per cent
3 years	14.05 per cent	79.27 per cent	75.29 per cent

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

Reliance Power Limited

Investor Information

Outstanding Foreign Currency Convertible Bonds (FCCBs)

The liabilities in respect of the 4.928 per cent Foreign Currency Convertible Bonds (FCCBs) amounting to US \$ 299.9 million (₹ 1,474.93 crore) which had devolved on RPower consequent on the approval of the Composite Scheme of Arrangement *inter alia*, Reliance Natural Resources Limited and Reliance Power Limited and others, has been redeemed in full on their due date of maturity during the year 2011-12.

The Company has no outstanding FCCBs as on March 31, 2012.

Key Financial Reporting Dates for the Year 2012-13

Unaudited Results for the First Quarter ending June 30, 2012	: On or before August 14, 2012
Unaudited Results for the Second Quarter / half year ending September 30, 2012	: On or before November 14, 2012
Unaudited Results for the Third Quarter ending December 31, 2012	: On or before February 14, 2013
Audited Results for the Financial Year 2012-13	: On or before May 30, 2013

Depository Services: For guidance on depository services, shareholders may write to the RTA of the Company or National Securities Depository Limited, Trade World, 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Telephone: +91 22 24994200, Fax : +91 22 24972993 / 24976351, e-mail : info@nsdl.co.in, website : www.nsdl.co.in or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai 400 023. Telephone:+91 22 2272 3333 Fax: +91 22 2272 3199/2072, website: www.cdslindia.com, e-mail: investors@cdslindia.com

Communication to Members

The quarterly unaudited financial results of the Company are announced within 45 days of the end of the respective quarter. The Audited Accounts of the Company are announced within 60 days from the close of the financial year. The Company's media releases and details of significant developments are also made available on the Company's website. In addition, these are published in leading newspapers.

Plant Locations

The Company's wholly owned subsidiary companies have their plants located as under;

Name of the Subsidiary Company	Plant Capacity	Plant Location
Rosa Power Supply Company Limited	1,200 MW Coal Power	Administrative Block, Hardoi Road, P.O. Rosar Kothi, Tehsil : Sadar, Rosar Kothi, Shahjahanpur, 242 401 U.P.
Dahanu Solar Power Private Limited	40 MW Solar Power	Village Dhursar, Dist. Jaisalmer, Rajasthan
Vidarbha Industries Power Limited	300 MW Coal Power	Butibori, Dist. Nagpur, Maharashtra

In addition, the Company and its subsidiaries are in process of setting up power generation plants at various locations which are in different stages of implementation as given in detail in the Management Discussion and Analysis Report.

Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a certificate 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 of 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 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 Computershare Private Limited at the below mentioned address for speedy response.

Karvy Computershare Private Limited
Unit: Reliance Power Limited
Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13C, Madhapur Village
Hyderabad 500 081, Andhra Pradesh, India

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

Company Secretary and Manager
Reliance Power Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Tel : +91 22 3038 5565
Fax : +91 22 3038 5169
E-mail : reliancepower.investors@relianceada.com

Auditors' Report on Abridged Financial Statements

**To
The Members of
Reliance Power Limited**

Report on the abridged financial statements

1. The accompanying abridged financial statements of Reliance Power Limited (the "Company") comprise the abridged Balance Sheet as at March 31, 2012, the abridged Statement of Profit and Loss and abridged Cash Flow Statement for the year then ended together with the related notes, which we have signed under reference to this report.
2. These abridged financial statements are derived from the statutory audited financial statements of the Company for the year ended March 31, 2012 prepared by the Company's Management in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the "Act"), covered by our attached report dated May 24, 2012 to the Members of the Company pursuant to section 227 of the Act, in which we have expressed an unmodified audit opinion. Those financial statements and the abridged financial statements do not reflect the effects of events that have occurred subsequent to the date of our report on those financial statements.
3. The abridged financial statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Act and Schedule VI to the Act, applied in the preparation and presentation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged Financial Statements

4. The Company's Management is responsible for the preparation of the abridged financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 (the "Rules") which are derived from the audited financial statements for the year ended March 31, 2012 prepared in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Act and Schedule VI to the Act. The Company's Management (including Directors) are ultimately responsible

for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged financial statements that are consistent with the audited financial statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.

5. The Company's Management (including Directors) are also responsible for ensuring that the Company complies with the requirements of the Rules.

Auditors' Responsibility

6. Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

Opinion

7. In our opinion, the accompanying abridged financial statements, are consistent, in all material respects, with the audited statutory financial statements of the Company as at and for the year ended March 31, 2012 prepared in accordance with Schedule VI to the Act, covered by our attached report dated May 24, 2012 to the Members of the Company pursuant to section 227 of the Act, in accordance with the Rules

For **Price Waterhouse**
Chartered Accountants
Firm Regn. No: 301112E

Partha Ghosh
Partner
Membership No. 55913
Place : Mumbai
Date : July 3, 2012

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn. No: 101720 W

C.D. Lala
Partner
Membership No. 35671
Place : Bengaluru
Date : July 3, 2012

Reliance Power Limited

Auditors' Report on Financial Statements

To The Members of Reliance Power Limited

1. We have audited the attached Balance Sheet of Reliance Power Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

For **Price Waterhouse**
Chartered Accountants
Firm Regn. No: 301112E

Partha Ghosh
Partner
Membership No. 55913
Place : Mumbai
Date : May 24, 2012

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn. No: 101720 W

C.D. Lala
Partner
Membership No. 35671
Place : Mumbai
Date : May 24, 2012

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Reliance Power Limited on the financial statements as of and for the year ended March 31, 2012

- | | |
|---|---|
| <p>i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.</p> <p>(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.</p> <p>(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.</p> <p>ii. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. No physical verification has been performed as at year end, as there is no closing balance.</p> <p>iii. The Company has not granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.</p> <p>iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.</p> <p>v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.</p> <p>(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.</p> <p>vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.</p> <p>vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.</p> <p>viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the services provided by the Company.</p> <p>ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty 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, 2012 for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.</p> | <p>x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.</p> <p>xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.</p> <p>xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company</p> <p>xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.</p> <p>xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.</p> <p>xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.</p> <p>xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.</p> <p>xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.</p> <p>xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.</p> <p>xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.</p> <p>xx. The Company has not raised any money by public issues during the year. The Management has disclosed the end use of monies during the year, out of public issue raised in the earlier year. Refer Note 7 in the notes to the financial statements, which we have verified.</p> <p>xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> |
|---|---|

For Price Waterhouse
Chartered Accountants
 Firm Regn. No: 301112E

For Chaturvedi & Shah
Chartered Accountants
 Firm Regn. No: 101720 W

Partha Ghosh
Partner
 Membership No. 55913
 Place : Mumbai
 Date : May 24, 2012

C.D. Lala
Partner
 Membership No. 35671
 Place : Mumbai
 Date : May 24, 2012

Reliance Power Limited

Abridged Balance Sheet as at March 31, 2012

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

Particulars	As at March 31, 2012 Rupees in lakhs	As at March 31, 2011 Rupees in lakhs
I Equity and liabilities		
(1) Shareholders' funds		
(a) Paid-up share capital – equity	280,513	280,513
(b) Reserves and surplus		
(i) Capital reserves	1,958	1,958
(ii) Securities premium account	1,104,823	1,104,823
(iii) General reserve	34,424	33,017
(iv) General reserve (arisen pursuant to various schemes)	153,194	130,210
(v) Surplus in the Statement of Profit and Loss	35,221	39,135
	<u>1,610,133</u>	<u>1,589,656</u>
(2) Non-current liabilities		
(a) Other long-term liabilities	16,050	-
(b) Long-term provisions	175	277
	<u>16,225</u>	<u>277</u>
(3) Current liabilities		
(a) Short-term borrowings	-	21,500
(b) Trade payables	2,757	3,209
(c) Other current liabilities	1,698	142,248
(d) Short-term provisions	44	56
	<u>4,499</u>	<u>167,013</u>
Total of (1) to (3)	<u>1,630,857</u>	<u>1,756,946</u>
II Assets		
(4) Non-current assets		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	8,547	8,497
(ii) Intangible assets (Original cost less depreciation/amortisation)	252	26
(iii) Capital work-in-progress	901	3,941
(iv) Intangible assets under development	321	40
(b) Non-current investments		
(i) Quoted [Market value Rs. 511 lakhs (Previous year: Nil)]	500	-
(ii) Unquoted	943,894	616,114
(c) Long term loans and advances	412,449	389,838
(d) Other non-current assets	16,038	24,916
	<u>1,382,902</u>	<u>1,043,372</u>
(5) Current assets		
(a) Current investments		
(i) Quoted [Market value Rs.19,495 lakhs (Previous year: Rs.186,505 lakhs)]	17,518	178,500
(ii) Unquoted	-	63,218
(c) Trade receivables	1,915	1,220
(d) Bank balances	20,595	98,575
(e) Short-term loans and advances	187,669	360,473
(f) Other current assets	20,258	11,588
	<u>247,955</u>	<u>713,574</u>
Total of (4) to (5)	<u>1,630,857</u>	<u>1,756,946</u>

The notes are an integral part of these abridged financial statements

Note : Complete Balance Sheet, Statement of Profit and Loss, Other Statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website at www.reliancepower.co.in

Compiled from the Audited standalone financial statements of the Company referred to in our report dated May 24, 2012

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration No: 301112 E

Partha Ghosh

Partner

Membership No. 55913

Place : Mumbai

Date : July 3, 2012

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No: 101720 W

C. D. Lala

Partner

Membership No. 35671

Place : Bengaluru

Date : July 3, 2012

For and on behalf of the Board of Directors

Anil D. Ambani

Chairman

J. L. Bajaj

Dr. Yogendra Narain

Dr. V. K. Chaturvedi

Directors

J. P. Chalasani

Chief Executive Officer

Ramaswami Kalidas

Company Secretary and Manager

Date : July 3, 2012

Abridged Statement of Profit and Loss for the year ended March 31, 2012

(Statement containing salient features of Statement of Profit and Loss as per Section 219(1)(b)(iv) of the Companies Act, 1956)

Particulars	Year ended March 31, 2012 Rupees in lakhs	Year ended March 31, 2011 Rupees in lakhs
Income		
Revenue from operations:		
Sale of coal rejects	770	479
Revenue from services provided	5,842	3,159
Net revenue from operations	6,612	3,638
Other Income:		
Dividend	8,891	14,191
Interest income	17,853	9,148
Net gain/loss on sale / accrual of income on investments:	17,546	19,156
Gain on foreign exchange fluctuations (net)	2,039	-
Other non-operating income	244	1,020
Other Income	46,573	43,515
Total Income	53,185	47,153
Expenditure		
Purchase of coal rejects	689	433
Fuel handling and service charges	3,847	1,891
Employee benefits expense	3,865	6,060
Finance costs	6,034	4,235
Depreciation and amortisation	293	114
Administration and other expenses	7,363	9,056
Exchange loss on settlement of 4.928% Convertible Bonds	13,588	-
Less: Equivalent amount withdrawn from General reserve	(13,588)	-
Total Expenditure	22,091	21,789
Profit before adjustments and taxation	31,094	25,364
Adjustments:		
Investments in Sasan Power Infrastructure Limited (wholly owned subsidiary) (Previous year - Sasan Power Infraventures Private Limited - wholly owned subsidiary) written off pursuant to the scheme of amalgamation	20,005	17,801
Less: Equivalent amount withdrawn from General reserve	(20,005)	(17,801)
Profit before taxation	31,094	25,364
Provision for taxation		
Current tax	-	-
Income tax for earlier years	8	-
Excess provision of earlier years written back	-	(2,091)
Profit for the year	31,086	27,455
Earnings per equity share: (Face value of Rs. 10 each)		
Basic and Diluted (Rupees)	1.11	1.06

The notes are an integral part of these abridged financial statements

Compiled from the Audited standalone financial statements of the Company referred to in our report dated May 24, 2012

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No: 301112 E

Partha Ghosh
Partner
Membership No. 55913

Place : Mumbai
Date : July 3, 2012

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

C. D. Lala
Partner
Membership No. 35671

Place : Bengaluru
Date : July 3, 2012

For and on behalf of the Board of Directors

Anil D. Ambani Chairman

J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi } Directors

J. P. Chalasani Chief Executive Officer

Ramaswami Kalidas Company Secretary and Manager

Date : July 3, 2012

Reliance Power Limited

Abridged Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012 Rupees in lakhs	Year ended March 31, 2011 Rupees in lakhs
Cash flows used in operating activities	(11,740)	(24,111)
Cash flows from Investment activities	112,434	84,141
Cash flows (used) / from financing activities	(178,592)	16,567
Net Increase / (Decrease) in cash and cash equivalents	(77,898)	76,597
Opening Balance of cash and cash equivalents		
- Balance in current account	913	257
- Balance in fixed deposit	96,855	-
Cash and cash equivalents acquired:		
- Pursuant to the composite scheme of arrangement sanctioned by the High Court of Bombay on October 15, 2010	-	20,903
- Pursuant to the scheme of merger with Sasan Power Infraventures Private Limited	-	11
- Pursuant to the scheme of merger with Sasan Power Infrastructure Limited	6	-
Closing balance of cash and cash equivalents		
- Balance in current account	4,876	913
- Balance in fixed deposit	15,000	96,855

Previous year figures have been regrouped / reclassified / rearranged / wherever necessary to make them comparable to those for the current year.

The notes are an integral part of these Abridged financial statements

Compiled from the Audited standalone financial statements of the Company referred to in our report dated May 24, 2012.

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No: 301112 E

Partha Ghosh
Partner
Membership No. 55913

Place : Mumbai
Date : July 3, 2012

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

C. D. Lala
Partner
Membership No. 35671

Place : Bengaluru
Date : July 3, 2012

For and on behalf of the Board of Directors
Anil D. Ambani

Chairman

J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi

} Directors

J. P. Chalasani

Chief Executive Officer

Ramaswami Kalidas

Company Secretary and Manager

Date : July 3, 2012

Notes to the Abridged financial statements for the year ended March 31, 2012

1) General information

Reliance Power Limited ("the Company") together with its subsidiaries ("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 Reliance Power group also includes three ultra mega power projects (UMPP) of 3,960 MW each.

2) Abridged financial statement

The abridged financial statements have been prepared pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 as per notification F. No. 17/51/2012-CL-V, dated May 31, 2012 and are based on the annual financial statements for the year ended March 31, 2012 approved by the Board of Directors at their meeting held on May 24, 2012.

3) (Note 2 of notes to financial statements)

Significant accounting policies:

(a) Basis of accounting

The financial statements have been prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006.

(b) Use of estimates

The preparation and presentation of financial statements requires estimates and assumptions and/or revised estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialise.

(c) Tangible assets and Capital work-in-progress:

- (i) The gross block of tangible assets are stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.
- (ii) All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental/attributable to construction of project, borrowing cost incurred prior to the date of commercial operation and trial run expenditure are shown under Capital Work-in-Progress. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.
- (iii) Any exchange differences arising on long term foreign currency monetary items on revaluation or settlement at the rate different from the one which were previously reported, in so far as it relates to depreciable capital assets are added/deducted from cost of such assets.

(d) Intangible assets:

- (i) Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured.
- (ii) Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

(e) Depreciation/Amortisation:

- (i) Tangible assets:
Tangible assets are depreciated under the straight line method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
- (ii) Intangible assets:
Software expenses are amortised over a period of three years.

(f) Investments:

Long-term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments. Current investments are valued at lower of cost and fair value.

(g) Provisions and contingent liabilities:

Provisions: Provisions are recognised when the Company has a present legal obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

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

(h) Impairment of assets

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

(i) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(j) Foreign currency transactions:

- (i) Foreign currency transactions are initially accounted at the exchange rates prevailing on the dates of the transactions / exchange rate at which the transaction is actually effected.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:
 - Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and the charge of depreciation is accordingly increased / reduced.
 - In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation difference Account" and amortised over the balance period of such long term assets/liabilities.
- (iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

(k) Revenue recognition

- (i) Income from fuel handling and service charges is recognised on the basis of services rendered as per the terms of contract. Revenue on trading of coal rejects is recognised on transfer of property to the buyers for consideration.
- (ii) Service income represents income from support services recognised as per the terms of the service agreements entered into with the respective parties.
- (iii) Profit on sale/redemption of investments is accounted on sale/redemption of such investments. Interest income on fixed and inter-corporate deposit is recognised on time proportionate basis. Dividend is recognised when the right to receive is in Company's favour. Income on fixed maturity plan of mutual fund is recognised on an accrual basis based on the net asset values on the reporting date taking into consideration the principles of reasonable certainty.
- (iv) Dividend income from subsidiaries has been recognised when the Company has established the right to receive the same on or before the balance sheet date.

(l) Employee benefits:

- (i) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss.
- (ii) Defined contribution plans:

Contributions to defined contribution schemes such as provident fund, superannuation, etc. are charged off to the Statement of Profit and Loss during the year in which the employee renders the related service.
- (iii) Defined benefit plans:

The Company also provides employee benefits in the form of gratuity and leave encashment, the liability for which as at the year end is determined by an independent actuary based on actuarial valuation using the projected unit credit method. Such defined benefits are charged off to the Statement of Profit and Loss. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(m) Employee stock option scheme (ESOS)

The employees of the Company and independent directors are entitled for grant of stock options (equity shares), based on the eligibility criteria set in ESOS plan of the Company. The employee compensation expenses are accounted on the basis of "intrinsic value method". The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation cost on the basis of estimated number of stock options expected to vest. Subsequently, if there are any indications resulting in a difference in the number of stock options expected to vest, the Company revises its previous estimate and accordingly recognises/(reverses) compensation cost on employee service.

Notes to the Abridged financial statements for the year ended March 31, 2012

(n) Accounting for taxes on income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

(o) Cash and cash equivalents

In the cash flow statements, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments, with original maturities of three months or less.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as issue of bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

4) (Note 4 of notes to financial statements)

(a) Contingent liabilities

- Counter guarantees / Bank guarantees issued on behalf of subsidiary companies aggregating to Rs. 243,839 lakhs (Previous Year Rs. 264,675 lakhs).
- Refer note 15 with respect to Coastal Andhra Power Limited.

(b) Capital commitments

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 174 lakhs (Previous Year Rs. 290 lakhs).

(c) Other commitments:

The Company has ongoing commitments given to lenders or procurers of power or other regulatory authorities to extend support and provide equity in respect of various projects undertaken by the respective subsidiaries, wherein the amounts of investment would vary considering the project cost and debt equity ratio agreed with the respective lenders.

5) (Note 7 of notes to financial statements)

Utilisation of initial public offer proceeds:

The utilisation of initial public offer (IPO) proceeds up to March 31, 2012 is given below:

Particulars	Rupees in lakhs	
	As at March 31, 2012	As at March 31, 2011
Proceeds from IPO	1,156,320	1,156,320
Utilisation		
Funding subsidiaries to part finance the construction and development costs of following projects	1,093,929	743,347
600 MW Rosa Phase I, 600 MW Rosa Phase II, 300 MW Butibori Phase I, 3,960 MW Sasan, 1,200 MW Shahpur Coal, 400 MW Urthing Sobla, 3,960 MW Krishnapatnam, 700 MW Tato II, 1,000 MW Siyom, 3,960 MW Chitrangi, Coal Resources, 1,200 MW Kalai II, 4,000 MW Tilaiya, 420 MW Amulin, 500 MW Emmini, 400 MW Mihundon, 300 MW Butibori Phase II, 2,400 MW Samalkot, 45 MW Vashpet Wind Power, 104 MW Lara Sumta Hydro Power, 130 MW Sumte Kothang Hydro Power, 94 MW Teling Hydro Power, 44 MW Shangling Hydro Power, 300 MW Purthi Hydro Power, 100 MW Rajasthan Sun Technique and 40 MW Dahanu Solar Power		
Share issue expenses	11,858	11,858
Total Utilised Amount	1,105,787	755,205
Unutilised amount (designated for general corporate purposes)	50,533	401,115

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

Particulars	Rupees in lakhs	
	As at March 31, 2012	As at March 31, 2011
Break up of unutilised amount*		
Investments in liquid and fixed maturity funds (Including held by subsidiaries)	33,280	316,127
Bank balance in fixed deposits and current account (Including subsidiaries)	16,953	84,688
Deposit with Bombay Stock Exchange Limited	300	300
Total	50,533	401,115

*Includes Rs. 26,897 lakhs (Previous year :Rs.148,017 lakhs) unutilised money invested in subsidiaries.

6) (Note 8 of notes to financial statements)

General reserve (arisen pursuant to various schemes)

- The General Reserve of Rs. 111,503 lakhs 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 has been sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010.
- The General Reserve of Rs. 18,707 lakhs had arisen pursuant to the scheme of amalgamation with erstwhile Sasan Power Infraventure 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.
- The General Reserve of Rs. 22,984 lakhs has arisen pursuant to the scheme of amalgamation (Refer note 11) with 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.

All the above General Reserves are reserves which arose pursuant to the above Schemes and shall not be and shall not for any purpose be considered to be a reserve created by the Company.

7) (Note 9 of notes to financial statements)

4.928% Convertible Bonds (FCCBs)

Reliance Natural Resources Limited (RNRL) had issued FCCBs of USD 300,000,000 vide letter of offer dated October 12, 2006. The FCCBs were transferred to the Company in terms of Composite Scheme of Arrangement sanctioned by the High Court of Bombay on October 15, 2010. FCCBs were secured by the issuance of an irrevocable letter of credit to the trustee on behalf of the FCCB holders by Barclays Bank Plc. FCCBs were due for redemption on October 17, 2011. FCCB holders were eligible for conversion of FCCB to equity share at Rs. 104 per share for every fully paid equity share of Rs. 10 each to be issued by the Company on exercise of the option. During the year till the due date of redemption, no FCCBs were converted into equity shares and the Company has redeemed the outstanding FCCBs by fully repaying the FCCB holders.

8) (Note 10 of notes to financial statements)

Accounting under composite scheme of arrangement

In the previous year, the Composite Scheme of Arrangement ('Scheme') under Section 391 to 394 of the Act read with Sections 78, 100 to 103 of the Act 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, was sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010.

As per the terms defined in the Scheme, General reserve of the Company is a free reserve available for all purposes as the Board of directors may determine from time to time, including but not limited to meeting any loss incurred due to variation in exchange rates which are beyond the control of the Company. The Scheme also specifies that any use of General reserve shall be reflected in Statement of Profit and Loss against the item for which General Reserve is used.

The Company, based on a legal opinion and as per the approval of board of directors has offset the loss amounting to Rs. 13,588 lakhs incurred due to exchange variation on settlement of FCCBs, by withdrawing an equivalent amount from General Reserve. The Management has been legally advised that the disclosure of said accounting in the Statement of Profit and Loss is in compliance with revised Schedule VI of the Companies Act, 1956.

Had the Scheme not prescribed the utilization of General Reserve by an equivalent amount of credit to Statement of Profit and Loss towards the exchange loss, the profit before tax of the Company would have been lower by Rs.13,588 lakhs and the General Reserve would have been higher to that extent.

Notes to the Abridged financial statements for the year ended March 31, 2012

9) (Note 11 of notes to financial statements)

Scheme of amalgamation between Company and Sasan Power Infrastructure Limited

Sasan Power Infrastructure Limited (SPIL), a wholly owned subsidiary of the Company, incorporated with the main object to operate, install, develop, promote and maintain projects in infrastructure sectors including setting up power plants etc., was amalgamated into the Company pursuant to the Scheme of Amalgamation (Scheme), as on and from September 1, 2011, being the appointed date pursuant to the approval of Board of Directors of the Company and sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated December 23, 2011 which was filed with the Registrar of Companies on February 23, 2012.

The Company has carried out the accounting treatment prescribed in the Scheme as approved by the Hon'ble High Court of Judicature at Bombay. The required disclosures as per paragraph 42 of Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 have been provided. Further, the Company has also been legally advised that the accounting treatment including disclosure under Revised Schedule VI carried out is in line with the Scheme approved by the Hon'ble Court of Judicature at Bombay and is not in violation of any applicable rules and regulations.

Hence, in accordance with the Scheme:

- a) The Company has taken over all the assets aggregating to Rs. 28,006 lakhs and liabilities aggregating to Rs. 5,022 lakhs at their respective book values. The difference aggregating to Rs. 22,984 lakhs being the excess arising on transfer of assets and liabilities has been treated as General Reserve (arising pursuant to the Scheme).
- b) No consideration is payable or receivable on implementation of the Scheme as the Scheme involves a wholly owned subsidiary. The entire issued, subscribed and paid up capital of the subsidiary has been cancelled and no shares have been allotted or exchanged in lieu of the same.
- c) Investments in equity share capital of SPIL amounting to Rs. 20,005 lakhs has been written off in the Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve vide board approval dated May 24, 2012, to off-set the said write off and the same has been credited to Statement of Profit and Loss.

Had the Scheme not prescribed the above accounting treatments, the treatment in accordance with AS 14 under purchase method would have been Rs. 22,984 lakhs, being the excess arising on transfer of assets and liabilities treated as General Reserve (arising pursuant to the Scheme), would have been treated as Capital Reserve. Also, Rs. 20,005 lakhs being the investment of the Company (share capital plus securities premium) in SPIL debited to Statement of Profit and Loss, would have been debited to Capital Reserve, and Rs. 20,005 lakhs withdrawn from General Reserve would not have been withdrawn.

The above accounting treatment as per the Scheme does not have a material impact on the Profit for the year and on the net worth of the Company.

10) (Note 12 of notes to financial statements)

Change in accounting policy (Income on fixed maturity plan of mutual fund)

During the year, based on legal opinion, the Company has changed its accounting policy for income on fixed maturity plans of mutual funds, from recognising it at the time of maturity to recognising it on an accrual basis based on the net asset value as on the reporting date considering the principles of reasonable certainty. Had the Company followed the earlier accounting policy, Profit before tax would have been lower by Rs. 1,988 lakhs.

11) (Note 13 of notes to financial statements)

Employees 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Guidelines). The Board of Directors of the Company has constituted its ESOS compensation committee to operate and monitor the ESOS scheme which is administered through ESOS Trust.

The ESOS compensation committee of the Board of Directors of the Company approved a grant of 20,000,000 stock options to the eligible employees of the Company and its subsidiaries on May 8, 2010. The options are 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 scheme, each option entitles the employee to apply for one fully paid equity share of Rs. 10 of the Company at an exercise price of Rs. 162 per share. The vesting period of options will commence on expiry of one year from the grant date and all the options granted shall vest immediately. The vested options can be exercised by the eligible employees over a period of nine years from the date of vesting.

The Company has opted for accounting the Compensation expenses under 'Intrinsic Value Method'. The closing market price on the date of grant was Rs. 140.20 per share at National Stock Exchange (being the latest trading price with highest trading

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

volume). As the exercise price of the share is more than market price, the Company has not accounted for any compensation cost. The Company has advanced Rs. 14,000 lakhs (disclosed under Note 3.11 Long term loans and advances) to the ESOS trust for purchase of equity shares from the market. The ESOS trust has purchased 8,500,000 shares from the given advance.

The fair value of option granted was determined under Binomial Option Pricing – Hull & White Model. The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	Option details	
Weighted average share price	Rs. 140.20	
Exercise price	Rs. 162.00	
Expected volatility	41.88%	
Vesting period	One year	
Exercise period	7.25 Years	
Risk free interest rate	7.74%	
Expected dividend	-	
Fair Value of option	Rs. 50.42	
	2011-12	2010-11
Opening balance of options	8,500,000	-
Options granted during the year	-	8,500,000
Vested during the year	8,500,000	-
Exercised during the year	-	-
Closing balance of options	8,500,000	8,500,000

The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option.

Had the Company opted for accounting of Compensation cost under 'Fair value Method', Profit after tax would have been lower by Rs. 434 lakhs (Previous year: Rs. 3,851 lakhs) and Earnings per share (Basic and diluted) would have been Rs.1.09 (Previous year: Rs. 0.91)

12) (Note 14 of notes to financial statements)

Project Status of Dadri Project:

- The Company is developing a 7,480 MW gas-fired power project to be located at the Dhirubhai Ambani Energy City in Dehra village, Dadri, Uttar Pradesh. The State of Uttar Pradesh in the year 2004 had acquired 2,100 acres of land and conveyed the same to the Company in the year 2005. While the State was in the process of acquiring further 400 acres of land for the project, a few land owners had filed writ petitions before the Allahabad High Court challenging the acquisition process under the Land Acquisition Act, 1894 ("the Act"). The Allahabad High Court has disposed of the writ petitions upholding the Section 4 notification and directed compliance with certain procedures relating to land acquisition that were left out earlier by the State Government. The Company has filed an appeal against the Allahabad High Court order which is now pending before Supreme Court. Few land owners have also filed appeals/petitions before the Supreme Court challenging Allahabad High Court's order upholding the Section 4 notification and alleging highhanded and forceful actions during the acquisition process, which are pending.
- The construction and other allied activities at Dadri project will be commenced as soon as the gas supply is firmed up and on settlement of land issues. Considering the delay in the project execution, due to litigation as stated above, the Company as a matter of prudence, has written off the incidental expenditure amounting to Rs. 2,778 lakhs in the Statement of Profit and loss.

13) (Note 15 of notes to financial statements)

Project status of Coastal Andhra Power Limited (CAPL)

CAPL, a wholly owned subsidiary, has been set up to develop an Ultra Mega Power Project (UMPP) of 3,960 MW located in Krishnapatnam, District Nellore, based on imported coal sourced from Indonesia.

The Government of Indonesia introduced a new regulation in September 2010 which prohibits sale of coal, including sale to affiliate companies, at below Benchmark Price which is linked to international coal prices and requires adjustment of sale price every 12 months. This regulation also mandates to align all existing long-term coal supply contracts with the new regulations within one year i.e. by September 2011. CAPL had entered into a firm price fuel supply agreement with Reliance Coal Resources

Notes to the Abridged financial statements for the year ended March 31, 2012

Private Limited (RCRPL), a wholly owned subsidiary of the Company. In view of this new regulation, RCRPL now needs to supply coal at the market price, because of which an element of uncertainty has arisen in the fuel supply for the CAPL project, wherein the power needs to be supplied at a pre-agreed tariff as per the terms of Power Purchase Agreement (PPA) dated March 23, 2007. The said issue has been communicated to the power procurers and also to the Government of India through the Association of Power Producers to arrive at a suitable solution to the satisfaction of all the stakeholders.

Notwithstanding the above, considering the terms of PPA, CAPL has issued a dispute resolution notice to the procurers of power under the force majeure clause of the PPA, considering the change in Indonesian regulations as an event of force majeure. The procurers of power under the terms of PPA have also issued a notice for termination of PPA and have raised a demand for liquidated damages of Rs.40,000 lakhs (including bank guarantee of Rs. 30,000 lakhs), which has been disclosed under contingent liability.

CAPL has filed a petition before the Hon'ble High Court at Delhi inter alia for interim relief under Section 9 of the Arbitration and Conciliation Act, 1996. The Court vide its order dated March 20, 2012 has granted such relief and prohibited the Procurers from taking any coercive steps against CAPL.

Based on the legal opinion obtained with regard to applicability of force majeure clause for the change in law in Indonesia and considering the nature of expenditure incurred till date at the project, no provision for impairment is considered in respect of investment made by the Company and for demands raised by the procurers of power.

14) (Note 16 of notes to financial statements)

Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits" (AS-15)

The Company has classified various employee benefits as under:

Defined contribution plans

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

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

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

	Rupees in Lakhs	
	Year ended March 31, 2012	Year ended March 31, 2011
(a) Contribution to provident fund	135	191
(b) Contribution to employees' superannuation fund	26	33
(c) Contribution to employees' pension scheme 1995	6	18

Defined benefit plans

- (a) Gratuity
- (b) Leave encashment

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

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

	2011-2012		2010-2011	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate (per annum)	8.50%	8.50%	8.25%	8.25%
Rate of increase in compensation levels	7.50%	7.50%	7.50%	7.50%
Rate of return on plan assets	8.25%		8.25%	
Expected average remaining working lives of employees in number of years	9.43		9.44	

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.

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

Rupees in Lakhs

Particulars	Gratuity		Leave encashment	
	2011-2012	2010-2011	2011-2012	2010-2011
(i) Changes in present value of obligation				
Opening balance of present value of obligation	376	221	333	208
Liability on arrangement with RNRL	-	28	-	53
Liability on transfer of employees within the group (Net)	6	2	32	-
Interest cost	36	19	41	23
Current service cost	102	51	186	105
Actuarial (gains)/loss	(80)	54	(367)	6
Benefits paid	-	-	(6)	(62)
Closing balance of present value of obligation	440	376	219	333
(ii) Changes in fair value of plan assets				
Opening balance of present value of plan assets	388	274	-	-
Plan asset transferred on arrangement with RNRL	-	25	-	-
Assets on transfer of employees within the group (Net)	-	7	-	-
Expected return on plan assets	32	19	-	-
Employer's contributions	80	110	6	62
Actuarial gains/(losses) on plan assets	6	(4)	-	-
Benefits paid	-	-	(6)	(62)
Closing balance of fair value of plan assets	506	431	-	-
Plan assets pending transfer	-	(43)	-	-
Closing balance of fair value of plan assets (including pending transfer)	506	388	-	-
(iii) Percentage of each category of plan assets to total fair value of plan assets				
Administered by Life Insurance Corporation of India	100%	100%	-	-
(iv) Reconciliation of present value of defined benefit obligations and the fair value of assets				
Closing balance of present value of obligation	440	376	219	333
Closing balance of fair value of plan assets (including pending transfer)	506	388	-	-
Funded (asset)/liability recognised in the Balance Sheet*	(66)	(12)	-	-
Unfunded (asset)/liability recognised in the Balance Sheet#	-	-	219	333
(v) Amount recognised in the Balance Sheet				
Closing balance of present value of obligation	440	376	219	333
Closing balance of fair value of plan assets (including pending transfer)	506	388	-	-
Funded (asset)/liability recognised in the Balance Sheet*	(66)	(12)	-	-
Unfunded (asset)/liability recognised in the Balance Sheet#	-	-	219	333
(vi) Expenses recognised in the Statement of Profit and Loss				
Current service cost	102	51	186	105
Interest cost	36	19	41	23
Expected return on plan assets	(32)	(19)	-	-
Net actuarial (gain)/loss	(86)	58	(367)	6
Total expenses recognised during the year	20	109	-	134
Excess provision written back	-	-	(140)	-
(vii) Actuarial (Gain)/Loss on obligation				
Net Actuarial (Gain)/loss due to experience	(76)	58	(363)	6
Net Actuarial (Gain)/loss due to change in assumption	(10)	-	(4)	-
	(86)	58	(367)	6
(viii) Expected Employers' Contribution for the next year	100	100		

* Grouped under Note no 3.15 under Advance recoverable in cash or in kind.

Grouped under Note no 3.4 and 3.8 under Provision for Leave Encashment.

The Company has seconded certain employees to the subsidiaries during the year. 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.

Notes to the Abridged financial statements for the year ended March 31, 2012

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

Particulars	2011-2012		2010-2011		2009-2010		2008-2009		Rupees in Lakhs 2007-2008	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
(i) Present value of the defined benefit obligation	440	219	376	333	221	208	141	130	67	39
Fair value of the plan assets	506	-	388	-	274	-	174	-	79	-
(Surplus)/Deficit in the plan	(66)	-	(12)	-	(53)	-	(33)	-	(12)	-
(ii) Experience Adjustments										
On plan liabilities	(70)	(363)	54	6	-	(49)	21	57	-	-
On plan assets	6	-	(4)	-	3	-	-	-	-	-
Total Experience Adjustments	(76)	(363)	58	6	3	(49)	21	57	-	-

15) (Note 17 of notes to financial statements)

Segment Reporting:

The Company operates in two business segments i.e. Power generation and Associated business activities (termed as "Others"). Associated business activities include project management, supervision and support services for generation and allied processes. Business segments have been identified as reportable primary segment in accordance with Accounting Standard 17 'Segment Reporting' as prescribed under Companies (Accounting Standards) Rules, 2006, taking into account the organisational and internal reporting structure as well as evaluation of risk and return for these segments. Segment reporting policies are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included as "un-allocable".

Geographical Segments: The Company's operations are mainly confined within India and as such there are no reportable geographical segments.

Information about business segments - Primary

Particulars	Year ended March 31, 2012				Year ended March 31, 2011			
	Power Generation	Others	Unallocable	Total	Power Generation	Others	Unallocable	Total
Revenue								
External revenue	-	6,612	-	6,612	-	3,638	-	3,638
Total revenue	-	6,612	-	6,612	-	3,638	-	3,638
Result								
Segment result	-	2,076	-	2,076	-	1,314	-	1,314
Corporate income (Net of corporate expenses)	-	-	17,199	17,199	-	-	19,137	19,137
Interest income (Net of interest and finance charges)	-	-	11,819	11,819	-	-	4,913	4,913
Profit before taxation	-	2,076	29,018	31,094	-	1,314	24,050	25,364
Taxes	-	-	8	8	-	-	(2,091)	(2,091)
Profit after tax	-	2,076	29,010	31,086	-	1,314	26,141	27,455
Other Information								
Segment assets	10,161	1,915	1,618,781	1,630,857	12,975	1,220	1,742,751	1,756,946
Segment liabilities	20	1,057	19,647	20,724	62	1,131	166,097	167,290
Capital expenditure	-	-	858	858	58	-	705	763
Depreciation	-	-	293	293	-	-	114	114
Non cash expenses other than depreciation	2,778	-	2	2,780	-	-	106	106

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

16) (Note 18 of notes to financial statements)

Related party transactions:

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

A. Parties where control exists:

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. Reliance Power International SARL (RPIS) (upto 30.06.2011)
13. Erstwhile Sasan Power Infrastructure Limited (SPIIL) (Refer note 11)
14. Erstwhile Sasan Power Infraventures Private Limited (Erstwhile SPIPL)
15. Maharashtra Energy Generation Infrastructure Limited (MEGIL)
16. Amulin Hydro Power Private Limited (AHPPL)
17. Emini Hydro Power Private Limited (EHPPL)
18. Mihundon Hydro Power Private Limited (MHPPL)
19. Jharkhand Integrated Power Limited (JIPL)
20. Reliance CleanGen Limited (Formerly Reliance Patalganga Power Limited) (RCGL)
21. Rajasthan Sun Technique Energy Private Limited (RSTEPL)
22. Erstwhile Reliance Futura Limited (Erstwhile RFL)
23. Dahanu Solar Power Private Limited (DSPPL)
24. Solar Generation Company (Rajasthan) Private Limited (SGCPL) (upto 03.03.2012)
25. Bharuch Power Limited (BPL)
26. Samalkot Power Limited (SMPL)
27. Reliance Prima Limited (RPrima)
28. Atos Trading Private Limited (ATPL)
29. Atos Mercantile Private Limited (AMPL)
30. Coastal Andhra Power Infrastructure Limited (CAPIL)
31. Reliance Power Netherlands BV (RPN)
32. PT Heramba Coal Resources (PTH)
33. PT Avaneesh Coal Resources (PTA)
34. Reliance Natural Resources Limited (RNRL)
35. Reliance Fuel Resources Limited (RFRL)
36. Reliance Natural Resources (Singapore) Pte Limited (RNRL- Singapore)
37. Reliance Renewable Power Private Limited (RRPPL) (upto 03.03.2012)
38. Reliance Biomass Power Private Limited (RBPPL) (upto 03.03.2012)
39. Reliance Solar Resources Power Private Limited (RSRPPL)
40. Reliance Clean Power Private Limited (RCPPL)
41. Reliance Tidal Power Private Limited (RTPPL) (upto 03.03.2012)
42. Reliance Geothermal Power Private Limited (RGTPPL) (upto 03.03.2012)
43. Reliance Wind Power Private Limited (RWPPL)
44. Reliance Green Power Private Limited (RGPPL) (upto 03.03.2012)
45. PT Sumukha Coal Services (PTS)
46. PT Brayan Bintang Tiga Energi (BBE)
47. PT Sriwijaya Bintang Tiga Energi (SBE)
48. Shangling Hydro Power Private Limited (SPPL) (w.e.f. 19.05.2011)
49. Sumte Kothang Hydro Power Private Limited (SKPL) (w.e.f. 19.05.2011)
50. Teling Hydro Power Private Limited (TPPL) (w.e.f. 19.05.2011)
51. Lara Sumta Hydro Power Private Limited (LHPPL) (w.e.f. 19.05.2011)
52. Purthi Hydro Power Private Limited (PHPPL) (w.e.f. 19.05.2011)
53. Reliance Clean Energy Private Limited (RCEPL) (w.e.f. 14.11.2011)

Notes to the Abridged financial statements for the year ended March 31, 2012

B. (i) Major investing parties/promoters having significant influence on the Company directly or indirectly

Companies

Reliance Infrastructure Limited (R Infra)
AAA Project Ventures Private Limited (APVPL)

Individual

Shri Anil D Ambani

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

(i) Key Management Personnel:

1. Shri J P Chalasani (Chief Executive Officer)
2. Shri Paresh Rathod (Manager) (upto May 27, 2011)
3. Shri Ramaswami Kalidas (Manager) (w.e.f. May 27, 2011)

(ii) Enterprises over which individual described in clause B (i) above have control:

1. Reliance Infocomm Infrastructure Private Limited (RIIPL)
2. Reliance General Insurance Company Limited (RGICL)
3. Reliance Communication Infrastructure Limited (RCIL)
4. Reliance Capital Limited (RCL)
5. Reliance Communication Limited (RCom)

(iii) Others

BSES Kerala Power Limited (BKPL), subsidiary of R Infra

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

	Rupees in Lakhs	
	2011-2012	2010-2011
(i) Transaction during the year:		
Operating income		
Fuel handling and service charges		
- R Infra	5,827	2,825
- BKPL	33	74
Operating expenditure		
Fuel handling and service charges		
- BKPL	17	41
Purchase of Coal		
- R Infra	724	451
Professional charges received towards support/ shared services		
- CAPL	110	110
- JIPL	110	110
- KPPL	22	22
- RPSCL	110	110
- SHPPL	22	289
- SPL	110	110
- THPPL	22	235
- USHPPL	22	22
- VIPL	55	55
Dividend income on preference shares		
- RNRL Singapore	679	280

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

	Rupees in Lakhs	
	2011-2012	2010-2011
Purchase of assets/advance given against capital Contract		
- R Infra (Engineering and procurement construction contract)	-	78,744
Reimbursement of expenses incurred on our behalf		
- R Infra (Net)	-	@
Reimbursement of expenses/taxes/advances paid subsidiaries:		
- AHPPL	9	@
- AMPL	134	26
- ATPL	75	35
- BPL	8	22
- CAPIL	999	118
- CAPL	387	224
- CPPL	257	166
- DSPPL	110	69
- EHPPL	11	@
- Erstwhile RFL	-	12
- Erstwhile SPIPL	-	41
- JIPL	839	594
- KPPL	90	38
- MEGIL	11	9
- MEGL	@	@
- MHPPL	1	@
- RCRPL	319	11
- RNRL	944	622
- RCGL	1,074	35
- RPrima	126	33
- RPSCCL	2,437	1
- RSTEPL	3,771	178
- RWPPL	17	1,005
- SHPPL	53	27
- SMPL	7,959	3,479
- SPIL (Refer note 11 above)	@	38
- SPL	10,280	1,318
- THPPL	110	57
- USHPPL	26	4
- VIPL	2,071	75
- RCCPL	79	-
- LHPL	5	-
- PHPL	8	-
- SKPL	8	-
- SPPL	5	-
- TPPL	6	-
- RFRL	5	-
Inter corporate deposit from subsidiary		
- JIPL	11,000	-
- RSTEPL	-	21,500
Repayment of Inter corporate deposit to subsidiaries		
- JIPL	11,000	-
- RSTEPL	21,500	-

@ Amount is below the rounding off norm adopted by the Company.

Notes to the Abridged financial statements for the year ended March 31, 2012

	Rupees in Lakhs	
	2011-2012	2010-2011
Insurance		
- RGICL	33	19
Rent/support services/others		
- RI IPL	200	1,203
- RCL	2	2
Investment in subsidiaries		
Equity Shares*		
- RPPL	-	5
- RNRL	-	5
- DSPPL	-	1
- SGCPL	-	1
- RSTEPL	-	22,001
- SPPL	1	-
- LHPL	1	-
- PHPL	1	-
- SKPL	1	-
- TPPL	1	-
- RCEPL	1	-
- Erstwhile RFL	-	5
- Erstwhile SPIPL	-	178
*Excludes disclosure of allotment of equity shares out of share application money given which has been separately disclosed.		
Purchase of shares:		
- SPIL (7.5% Preference shares of CPPL)	-	5,380
- SPIL (7.5% Preference shares of THPPL)	-	733
- MEGIL (7.5% Preference shares of RPSCL)	-	8,339
- Erstwhile SPIPL (7.5% Preference shares of JIPL)	-	17,784
- SPIL (7.5% Preference shares of CAPL)	-	5,619
- MEGIL (7.5% Preference shares of SHPPL)	889	-
- CAPIL (7.5% Preference shares of MEGL)	1,345	-
Sale of shares:		
- RFL (Equity shares of CAPIL)	-	5
- RRPPL (Equity shares of SGCPL)	@	-
- RBPPL (Equity shares of SGCPL)	@	-
- RGPPL (Equity shares of SGCPL)	@	-
Share application money given:		
- AHPPL	49	3
- CAPL	4,338	83,623
- DSPPL	17,880	-
- EHPPL	33	3
- JIPL	899	2
- KPPL	695	417
- LHPL	1,093	-
- MHPPL	-	3
- CPPL	2,989	124,036
- PHPL	3,053	-
- RCGL	216,434	-
- RCRPL	5,646	3,715
- RPSCL	-	26,979
- RSTEPL	1,990	-
- SHPPL	1,379	814
- SKPL	1,353	-

@ Amount is below the rounding off norm adopted by the Company.

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

	Rupees in Lakhs	
	2011-2012	2010-2011
- SPL	34,100	133,175
- SPPL	488	-
- THPPL	-	83
- TPPL	994	-
- USHPPL	165	49
- VIPL	22,871	13,736
Share application money refunded:		
- RPSCL	-	480
- MEGL	-	95
- CPPL	-	129,380
- THPPL	-	50
- SHPPL	-	250
- CAPL	47	925
Inter corporate deposits given		
- RPSCL	40,100	41,867
- SPL	9,500	-
- Erstwhile SPIL (Refer note 11)	4,995	-
Refund of inter corporate deposit		
- SPIL	6200	102,402
- Erstwhile SPIPL	-	114,507
- CAPIL	15,303	25,840
- MEGIL	4,994	55,020
- RPSCL	57,415	16,015
- SPL	9,500	-
- SMPL	82,223	-
- JIPL	89,000	-
Sitting fees		
- Shri Anil D Ambani	1	1
Remuneration to key management personnel		
- Shri K H Mankad	-	34
- Shri J P Chalasani	327	164
- Shri Ramaswami Kalidas	36	-
- Shri Paresb Rathod	2	10
Contingent Liabilities		
Counter guarantee/Bank guarantees issued		
- JIPL	5	20,816
- VIPL	8,310	14,962
- CPPL	-	39,680
- CAPL	-	17,060
- CAPIL	106	154
- ATPL	34	412
- RCRPL	-	2,500
- RPrima	-	436
- SPL	-	30,360
- RSTEPL	1,000	11,470
- RPN	-	6,698
- DSPPL	12,592	-

Notes to the Abridged financial statements for the year ended March 31, 2012

	Rupees in Lakhs	
	2011-2012	2010-2011
- SMPL	12,410	-
- THPPL	70	-
(ii) Closing Balance :		
Investment in Subsidiaries		
Equity Shares		
- AHPPL	3,833	1
- AMPL	31	31
- ATPL	401	401
- CAPIL	1,534	1,534
- CAPL	5,000	5
- CPPL	1	1
- DSPPL	8,941	1
- EHPPL	3,547	1
- JIPL	5	5
- KPPL	2,236	1
- MEGIL	50	50
- MEGL	5	5
- MHPPL	2,404	1
- RCRPL	1	1
- RFRL	100	100
- RNRL (Singapore)	42	42
- RNRL	5	5
- RPIS	-	3
- RCGL	5	5
- RPrima	5	5
- RPSCCL	114,740	41,690
- RSTEPL	22,001	22,001
- SGCPPL	-	1
- SHPPL	2,491	1
- SPIL (Refer note 11)	-	5
- SPL	179,682	162,632
- THPPL	1	1
- USHPPL	1	1
- VIPL	5	5
- SPPL	489	-
- TPPL	995	-
- SKPL	1,354	-
- LHPPL	1,094	-
- PHPPL	3,054	-
- RCEPL	1	-
Preference Shares		
- CAPL	57,775	57,775
- CPPL	5,380	5,380
- JIPL	17,784	17,784
- RNRL (Singapore)	140,629	122,743
- RPSCCL	27,683	15,533
- SHPPL	10,889	5,000
- SPL	179,682	162,632
- THPPL	733	733
- KPPL	10,000	-
- MEGL	1,345	-
- DSPPL	8,940	-
- RCGL	129,000	-

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

	Rupees in Lakhs	
	2011-2012	2010-2011
Loans and advances*		
- AHPPL	1	3,783
- AMPL	159	25
- ATPL	110	35
- BPL	26	22
- CAPIL	1,902	17,795
- CAPL	89,322	89,965
- CPPL	127,228	124,170
- DSPPL	67	69
- EHPPL	1	3,513
- JIPL	1,179	89,101
- KPPL	101	1,640
- MEGIL	2,586	8,063
- MEGL	766	766
- MHPPL	1	2,403
- RCRPL	11,736	6,090
- RNRL	1,271	622
- RPrima	159	33
- RPSCCL	8,787	111,052
- RSTEPL	2,062	1
- RWPPPL	1,022	1,005
- SHPPL	1	1,111
- SMPL	6,783	82,223
- SPIL	-	27,328
- SPL	459	4
- THPPL	476	359
- USHPPL	1,618	1,453
- VIPL	70,384	47,424
- RCPPL	79	-
- LHPPL	5	-
- PHPPL	8	-
- RCGL	88,504	-
- SKPL	8	-
- SPPL	5	-
- TPPL	6	-
Unsecured loan		
- RSTEPL	-	21,500
Current liabilities and provisions		
- R Infra	248	952
- RCIL	-	2
- RIIPL	569	369
Current assets		
- R Infra	1,664	689
- BKPL	3	33
- RNRL (Singapore)	2,109	1,227
Contingent Liabilities (closing balances)		
Counter guarantees/Bank guarantees issued:		
- SPL	60,360	60,360
- CAPL	47,060	47,060

Notes to the Abridged financial statements for the year ended March 31, 2012

	Rupees in Lakhs	
	2011-2012	2010-2011
- JIPL	80,821	80,816
- VIPL	16,733	15,088
- CAPIL	260	154
- ATPL	188	412
- RCRPL	-	2,500
- RPrima	84	436
- CPPL	4,122	39,680
- RSTEPL	12,471	11,471
- RPN	7,673	6,698
- DSPPL	1,003	-
- MEGL	500	-
- SMPL	12,410	-
- THPPL	70	-

*Includes Inter corporate deposits, share application money and other receivables.

(iii) Other transactions:

- a) The Company has pledged its shareholding in the following subsidiaries in accordance with sponsor support agreement, as a security towards the term loan availed by the Subsidiaries
 - i) 51% of equity shares of Sasan Power Limited.
 - ii) 51% of equity shares of Coastal Andhra Power Limited.
 - iii) 97% of equity shares of Dahanu Solar Power Private Limited.
 - iv) 64% of preference shares of Dahanu Solar Power Private Limited.
- b) The Company has given equity support undertaking/financial support undertaking towards cost overrun to financial institutions/banks for rupee/foreign currency loans taken by Rosa Power Supply Company Limited, Sasan Power Limited, Vidarbha Industries Power Limited, Samalkot Power Limited and Dahanu Solar Power Private Limited.
- c) Reliance Infrastructure Limited (R Infra) has issued Keep Well Letter in favour of a bank, which in turn has issued letter of credit in favour of FCCB holders of the Company, for which the Company has paid Rs. 36 lakhs to R Infra during the year.
- d) During the year the Company has issued Commercial paper of Rs. 23,000 lakhs at a discount of 12% per annum, to RCL and the same has been redeemed at par on the maturity date.

The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.

17) (Note 19 of notes to financial statements)

Disclosure of loans and advances to subsidiaries pursuant to Clause 32 of the listing agreement:

Name	Rupees in Lakhs			
	Amount outstanding*		Maximum amount outstanding	
	As at		during the year	
	March 31, 2012	March 31, 2011	2011-2012	2010-2011
Subsidiaries:				
Amulin Hydro Power Private Limited	1	3,783	3,833	3,783
Atos Mercantile Private Limited	159	25	159	25
Atos Trading Private Limited	110	35	110	35
Bharuch Power Limited	26	22	31	22
Chitrangi Power Private Limited	127,224	124,170	127,224	188,860
Coastal Andhra Power Infrastructure Limited	1,902	17,795	17,795	43,534
Coastal Andhra Power Limited	89,322	89,965	92,098	89,965
Dahanu Solar Power Private Limited	67	69	10,390	69
Emini Hydro Power Private Limited	1	3,513	3,547	3,513
Erstwhile Reliance Futura Limited	-	-	-	12

Reliance Power Limited

Notes to the Abridged financial statements for the year ended March 31, 2012

Rupees in Lakhs

Name	Amount outstanding*		Maximum amount outstanding	
	As at		during the year	
	March 31, 2012	March 31, 2011	2011-2012	2010-2011
Erstwhile Sasan Power Infraventures Private Limited	-	-	-	115,107
Jharkhand Integrated Power Limited	1,179	89,101	89,109	89,101
Kalai Power Private Limited	101	1,640	2,338	1,640
Maharashtra Energy Generation Infrastructure Limited	2,586	8,063	8,063	63,083
Maharashtra Energy Generation Limited	766	766	766	861
Mihundon Hydro Power Private Limited	1	2,403	2,404	2,403
Rajasthan Sun Technique Energy Private Limited	2,062	1	2,074	178
Reliance CleanGen Limited	88,504	-	96,273	35
Reliance Coal Resources Private Limited	11,736	6,090	11,736	6,090
Reliance Natural Resources Limited	1,271	622	3,922	622
Reliance Prima Limited	159	33	159	33
Reliance Wind Power Private Limited	1,022	1,005	1,022	1,005
Rosa Power Supply Company Limited	8,787	111,052	141,937	122,752
Samalkot Power Limited	6,783	82,223	82,223	82,223
Erstwhile Sasan Power Infrastructure Limited	-	27,328	27,328	129,730
Sasan Power Limited	459	4	34,274	200,393
Siyom Hydro Power Private Limited	1	1,111	2,491	1,111
Tato Hydro Power Private Limited	476	359	937	622
Urthing Sobla Hydro Power Private Limited	1,618	1,453	1,618	1,453
Vidarbha Industries Power Limited	70,384	47,424	71,525	47,424
Lara Sumta Hydro Power Private Limited	5	-	1,098	-
Purthi Hydro Power Private Limited	8	-	3,061	-
Sumte Kothang Hydro Power Private Limited	8	-	1,361	-
Shangling Hydro Power Private Limited	5	-	493	-
Teling Hydro Power Private Limited	6	-	1,000	-
Reliance Fuel Resources Limited	-	-	5	-
Reliance Clean Power Private Limited	79	-	79	-

*Including share application money and inter corporate deposits

As at the year-end, the Company-

- has no loans and advances in the nature of loans, wherein there is no repayment schedule or repayment is beyond seven years and
- has no loans and advances in the nature of loans to firms/companies in which directors are interested.

18) (Note 20 of notes to financial statements)

Earnings per share:

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Profit available to Equity Shareholders		
Profit after tax (A) (Rs. in Lakhs)	31,086	27,455
Number of Equity Shares		
Weighted Average number of Equity shares outstanding (Basic) (B)	2,805,126,466	2,584,722,698
Basic and Diluted Earnings Per Share (A/B) (Rs.)	1.11	1.06
Nominal value of an equity share (Rs.)	10.00	10.00

4.928% Convertible Bonds (FCCB) had an anti-dilutive effect on the earnings per share in the previous year and hence were not considered for the purpose of computing diluted earnings per share

Notes to the Abridged financial statements for the year ended March 31, 2012

19) (Note 21 of notes to financial statements)

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

	Year ended March 31, 2012		Year ended March 31, 2011	
	USD	Rupees in Lakhs	USD	Rupees in Lakhs
(a) Amount receivable in foreign currency:				
Investment in preference shares	274,900,000	140,629	274,900,000	122,743
Dividend receivable on preference Shares	4,123,500	2,109	2,749,000	1,227
(b) Amount payable in foreign currency:				
4.928% Convertible Bonds (FCCBs)	-	-	299,900,000	133,905
Interest payable on FCCBs	-	-	7,983,996	3,565

20) (Note 24 of notes to financial statements)

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

21) (Note 25 of notes to financial statements)

Exchange Difference on Long Term Monetary Items

In respect of exchange difference arising on long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standard) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by Ministry of Corporate Affairs. Accordingly, the Company has accumulated a gain of Rs. 16,050 lakhs to "Foreign currency monetary item translation difference account" towards exchange variation on revaluation of long term monetary items other than on account of depreciable assets.

22) (Note 26 of notes to financial statements)

The management has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Company.

23) (Note 27 of notes to financial statements)

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 have been prepared as per revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of the Revised Schedule VI for the previous year's figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No: 301112 E

Partha Ghosh
Partner
Membership No. 55913

Place : Mumbai
Date : July 3, 2012

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

C. D. Lala
Partner
Membership No. 35671

Place : Bengaluru
Date : July 3, 2012

For and on behalf of the Board of Directors

Anil D. Ambani Chairman

J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi } Directors

J. P. Chalasani Chief Executive Officer

Ramaswami Kalidas Company Secretary and Manager

Date : July 3, 2012

Reliance Power Limited

Auditors' Report on Abridged Consolidated Financial Statements

To
The Board of Directors of
Reliance Power Limited

Report on the abridged consolidated financial statements

1. The accompanying abridged consolidated financial statements of Reliance Power Limited (the "Company") and its subsidiaries and its jointly controlled operations; comprise the abridged consolidated Balance Sheet as at March 31, 2012, the abridged consolidated Statement of Profit and Loss and abridged consolidated Cash Flow Statement related for the year then ended together with the related notes, which we have signed under reference to this report.
2. These abridged consolidated financial statements are derived from the consolidated audited financial statements of the Company for the year ended March 31, 2012 prepared by the Company's Management in accordance with the accounting principles generally accepted in India, covered by our attached report dated May 24, 2012 to the Board of Directors of the Company, in which we have expressed an unmodified audit opinion. Those consolidated financial statements and the abridged consolidated financial statements do not reflect the effects of events that have occurred subsequent to the date of our report on those consolidated financial statements.
3. The abridged consolidated financial statements do not contain all the disclosures required by Accounting Standard ("AS") 21 - 'Consolidated Financial Statements' and AS 27 - 'Financial Reporting of Interests in Joint Ventures', applied in the preparation of the audited consolidated financial statements of the Company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Company.

Management's Responsibility for the Abridged Consolidated Financial Statements

4. The Company's Management is responsible for the preparation of the abridged consolidated financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 (the "Rules") which are derived from the consolidated audited financial statements for the year ended March 31, 2012 prepared in accordance with Accounting Standard ("AS") 21- 'Consolidated Financial Statements' and AS 27- 'Financial Reporting of

Interests in Joint Ventures'. The Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged consolidated financial statements that are consistent with the audited consolidated financial statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act

5. The Company's Management (including directors) are also responsible for ensuring that the Company complies with the requirements of the Rules.

Auditors' Responsibility

6. Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

Opinion

7. In our opinion, the accompanying abridged consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of the Company as at and for the year ended March 31, 2012 prepared in accordance with the requirements of Accounting Standard ("AS") 21 - 'Consolidated Financial Statements' and AS 27 - 'Financial Reporting of Interests in Joint Ventures', and covered by our attached report dated May 24, 2012 to the Board of Directors of the Company, in accordance with the Rules.

For **Price Waterhouse**
Chartered Accountants
Firm Regn. No: 301112E

Partha Ghosh
Partner
Membership No. 55913
Place : Mumbai
Date : July 3, 2012

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn. No: 101720 W

C.D. Lala
Partner
Membership No. 35671
Place : Bengaluru
Date : July 3, 2012

Auditors' Report on the Consolidated Financial Statements

**To
The Board of Directors of
Reliance Power Limited**

1. We have audited the attached consolidated balance sheet of Reliance Power Limited (the "Company") and its subsidiaries and its jointly controlled operations; hereinafter referred to as the "Group" (refer note 2 (II) to the attached consolidated financial statements) as at March 31, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Price Waterhouse did not audit the financial statements and other financial information of twenty three subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 19,700 lakhs and net assets of Rs. 19,497 lakhs as at March 31, 2012, total revenue of Rs. 771 lakhs, net loss before tax of Rs. 66 lakhs and net cash out flows amounting to Rs. 52 lakhs for the year then ended that have been audited by Chaturvedi & Shah on whose reports Price Waterhouse has placed reliance for the purpose of this report.
4. Price Waterhouse and Chaturvedi & Shah did not audit the financial statements and other financial information of six subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 6,822 lakhs and net assets of Rs. 6,444 lakhs as at March 31, 2012, total revenue of Rs. 1,543 lakhs, net profit before tax of Rs. 213 lakhs and net cash out flows amounting to Rs. 43 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
5. Price Waterhouse and Chaturvedi & Shah did not audit the financial statements and other financial information of eight subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 169,964 lakhs and net assets of Rs. 149,857 lakhs as at March 31, 2012, total revenue of Rs. 17,950 lakhs, net profit before tax of Rs. 14,572 lakhs and net cash inflows amounting to Rs. 39,636 lakhs for the year then ended. These financial statements and other financial information have been incorporated in the consolidated financial statements of the Group based on the un-audited financial statements as provided by the management, as audited financial statements of the component as at and for the year ended March 31, 2012 are not available.
6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors, one of the joint auditors and certification by management on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date: and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Price Waterhouse**
Chartered Accountants
Firm Regn. No: 301112E

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn. No: 101720 W

Partha Ghosh
Partner
Membership No. 55913
Place : Mumbai
Date : May 24, 2012

C.D. Lala
Partner
Membership No. 35671
Place : Mumbai
Date : May 24, 2012

Reliance Power Limited

Abridged Consolidated Balance Sheet as at March 31, 2012

(Statement containing salient features of Balance Sheet as per section 219(1) (b) (iv)) of the Companies Act, 1956)

Particulars	As at March 31, 2012 Rupees in lakhs	As at March 31, 2011 Rupees in lakhs
I Equity and Liabilities		
(1) Shareholders' Funds		
(a) Paid-up share capital - equity	280,513	280,513
(b) Reserves and surplus		
(i) Capital reserves	8,337	7,809
(ii) Securities premium account	1,104,823	1,104,823
(iii) General reserve	72,230	50,818
(iv) General reserve (arisen pursuant to composite scheme of arrangement)	111,957	111,957
(v) Surplus in the Statement of Profit and Loss	179,102	127,424
	<u>1,756,962</u>	<u>1,683,344</u>
(2) Minority Interest	150	@
(3) Non-current liabilities		
(a) Long-term borrowings	1,426,271	552,526
(b) Other long term liabilities	386,640	39,262
(c) Long-term provisions	617	407
	<u>1,813,528</u>	<u>592,195</u>
(4) Current liabilities		
(a) Short-term borrowings	38,923	21,273
(b) Trade payables	15,122	11,919
(c) Other current liabilities	288,482	272,680
(d) Short-term provisions	12,727	7,724
	<u>355,254</u>	<u>313,596</u>
Total of (1) to (4)	<u>3,925,894</u>	<u>2,589,135</u>
II Assets		
(5) Non-current assets		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	652,105	362,052
(ii) Intangible assets (Original cost less depreciation/amortisation)	5,098	1,634
(iii) Capital work-in-progress	2,178,252	548,620
(iv) Intangible assets under development	1,447	1,167
(b) Non-current investments		
(i) Quoted [Market value Rs. 511 lakhs (Previous year: 13,798 lakhs)]	500	13,000
(ii) Unquoted	@	89,300
(c) Long-term loans and advances	501,807	744,857
(d) Other non-current assets	16,781	25,486
	<u>3,355,990</u>	<u>1,786,116</u>
(6) Current assets		
(a) Current Investments		
(i) Quoted [Market value Rs.19,495 lakhs (Previous year: 188,402 lakhs)]	17,518	180,000
(ii) Unquoted	123,528	285,599
(b) Inventories	16,069	5,365
(c) Trade receivables	65,517	34,712
(d) Cash and bank balances	140,584	166,151
(e) Short term loans and advances	187,011	120,455
(f) Other current assets	19,677	10,737
	<u>569,904</u>	<u>803,019</u>
Total of (5) to (6)	<u>3,925,894</u>	<u>2,589,135</u>

@ Amount is below the rounding off norm adopted by the Group.

The notes are an integral part of these abridged consolidated financial statements

Compiled from the Audited consolidated financial statements of the Company referred to in our report dated May 24, 2012.

Note : Complete Balance Sheet, Statement of Profit and Loss, Other Statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website at www.reliancepower.co.in

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No: 301112 E

Partha Ghosh
Partner
Membership No. 55913

Place : Mumbai
Date : July 3, 2012

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

C. D. Lala
Partner
Membership No. 35671

Place : Bengaluru
Date : July 3, 2012

For and on behalf of the Board of Directors
Anil D. Ambani

Chairman

J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi } Directors

J. P. Chalasani Chief Executive Officer

Ramaswami Kalidas Company Secretary and Manager

Date : July 3, 2012

Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2012

(Statement containing salient features of Statement of Profit and Loss as per section 219(1) (b) (iv)) of the Companies Act, 1956)

Particulars	Year ended March 31, 2012 Rupees in lakhs	Year ended March 31, 2011 Rupees in lakhs
Income		
Revenue from operations:		
Sale of energy	195,839	102,368
Sale of coal rejects	770	480
Fuel handling and service charges	5,312	2,628
Net revenue from operations	201,921	105,476
Other income:		
Dividend	16,663	19,095
Interest income	21,589	11,067
Net gain on sale / accrual of income on investments	19,780	53,148
Gain on foreign exchange fluctuations (net)	15,695	1,865
Other non-operating income	1,030	1,152
Other income	74,757	86,327
Total Revenue	276,678	191,803
Expenses:		
Purchase of coal rejects	689	433
Cost of fuel consumed	112,854	55,965
Operating expenditure	3,848	1,891
Employee benefits expense	5,961	7,690
Finance cost	29,762	21,952
Depreciation and amortisation expenses	12,145	10,088
Generation, administration and other expenses	16,180	16,595
Exchange loss on settlement of 4.928% Convertible Bonds	13,588	-
Less: Equivalent amount withdrawn from General reserve	(13,588)	-
Total Expenditure	181,439	114,614
Profit before taxation	95,239	77,189
Provision for taxation		
Current tax	8,717	3,455
Income tax for earlier years	11	36
Excess provision of earlier years written back	(167)	(2,346)
Profit after tax and before Minority interest	86,678	76,044
Minority interest	-	-
Profit for the year	86,678	76,044
Earnings per equity share: (Face value of Rs. 10 each)		
Basic and Diluted (Rupees)	3.09	2.94

The notes are an integral part of these abridged consolidated financial statements

Compiled from the Audited consolidated financial statements of the Company referred to in our report dated May 24, 2012

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No: 301112 E

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

For and on behalf of the Board of Directors
Anil D. Ambani

Chairman

J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi

Directors

Partha Ghosh
Partner
Membership No. 55913

C. D. Lala
Partner
Membership No. 35671

J. P. Chalasani

Chief Executive Officer

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai
Date : July 3, 2012

Place : Bengaluru
Date : July 3, 2012

Date : July 3, 2012

Reliance Power Limited

Abridged Consolidated Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012 Rupees in lakhs	Year ended March 31, 2011 Rupees in lakhs
Cash flows from (used in) operating activities	16,225	(3,630)
Cash flows used in Investment activities	(646,251)	(207,974)
Cash flows from financing activities	606,210	335,792
Net increase / (decrease) in cash and cash equivalents	(23,816)	124,188
Opening Balance of cash and cash equivalents		
- Balance in current account	29,548	3,618
- Balance in fixed deposit	96,855	-
- Remittances in transit / cheques in hand	24,991	167
Cash and cash equivalents acquired:		
- Pursuant to scheme of amalgamation between Reliance Cleangen Limited and Western Alliance Power Limited.	11	-
- Pursuant to the composite scheme of arrangement sanctioned by the High Court of Bombay on October 15, 2010	-	20,903
- On acquisition of subsidiaries	-	2,518
Closing balance of cash and cash equivalents		
- Balance in current account	91,976	29,548
- Balance in fixed deposit	17,347	96,855
- Remittances in transit / cheques in hand	18,266	24,991

Previous year figures have been regrouped / reclassified / rearranged / wherever necessary to make them comparable to those for the current year.

The notes are an integral part of these abridged consolidated financial statements

Compiled from the Audited consolidated financial statements of the Company referred to in our report dated May 24, 2012.

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No: 301112 E

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

For and on behalf of the Board of Directors
Anil D. Ambani Chairman

J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi } Directors

Partha Ghosh
Partner
Membership No. 55913

C. D. Lala
Partner
Membership No. 35671

J. P. Chalasani Chief Executive Officer

Ramaswami Kalidas Company Secretary and Manager

Place : Mumbai
Date : July 3, 2012

Place : Bengaluru
Date : July 3, 2012

Date : July 3, 2012

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

1. General information

Reliance Power Limited ("the Company") together with its subsidiaries ("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 Reliance Power group also includes three ultra mega power projects (UMPP) of 3,960 MW each.

2. The abridged consolidated financial statements have been prepared pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 as per notification F. No. 17/51/2012-CL-V, dated May 31, 2012 and are based on the annual financial statements for the year ended March 31, 2012 approved by the Board of Directors at their meeting held on May 24, 2012.

3 (Note 2 of consolidated financial statements)

Significant accounting policies:

a) Basis of accounting

The financial statements have been prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 ("the Act") and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006.

b) Basis of consolidation

(I) The consolidated financial statements relate to Reliance Power Limited (the Parent Company) and its subsidiary companies and joint control operations (together referred to as "Group") which have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements" and Accounting Standard 27 (AS-27) - "Financial Reporting of Interests in Joint Ventures" as prescribed by Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.
- (ii) The consolidated financial statements include the interest of the Group in joint control operations. The joint control operations have been accounted for, using the proportionate consolidation method of accounting which reports the Group's share of assets, liabilities, income and expenses in the joint control operations after eliminating unrealised profits or losses on intra-group transactions.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries with respect to different accounting policies for like transactions and events in similar circumstances for the purpose of preparation of consolidated financial statements as far as possible.
- (iv) In case of foreign subsidiaries, revenue is consolidated at the average exchange rate prevailing during the year. All monetary assets and liabilities are converted at the exchange rate prevailing at the end of the year. While, non-monetary assets and liabilities are recorded at the exchange rate prevailing on the date of the transaction. Any exchange difference arising on consolidation of integral foreign operation is recognised in the Statement of Profit and Loss.
- (v) The excess of cost to the Parent Company of its investment in the subsidiary over the Parent Company's portion of equity of the subsidiary and the excess of cost of subsidiary over its investment in Joint Venture is recognised in the financial statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.
- (vi) Minority's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet as a separate line item from liabilities and the shareholders' funds.
- (vii) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended March 31, 2012.

Reliance Power Limited

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

(II) The subsidiaries considered in the consolidated financial statements are:

Sr. No.	Name of Company	Country of Incorporation	Proportion (%) of shareholding as on March 31, 2012	Proportion (%) of shareholding as on March 31, 2011
Subsidiaries				
1	Rosa Power Supply Company Limited (RPSCL)	India	100	100
2	Sasan Power Limited (SPL)	India	100	100
3	Jharkhand Integrated Power Limited (JIPL)	India	100	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	80	80
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	Maharashtra Energy Generation Infrastructure Limited (MEGIL)	India	100	100
16	Reliance Coal Resources Private Limited (RCRPL)	India	100	100
17	Reliance CleanGen Limited (RCGL)	India	100	100
18	Rajasthan Sun Technique Energy Private Limited (RSTEPL)	India	100	100
19	Erstwhile Sasan Power Infrastructure Limited (SPIL) (up to 31.08.2011)	India	-	100
20	Coastal Andhra Power Infrastructure Limited (CAPIL)	India	100	100
21	Reliance Prima Limited (RPrima)	India	100	100
22	Atos Trading Private Limited (ATPL)	India	100	100
23	Atos Mercantile Private Limited (AMPL)	India	100	100
24	Reliance Natural Resources Limited (RNRL)	India	100	100
25	Reliance Fuel Resources Limited (RFRL)	India	100	100
26	Dahanu Solar Power Private Limited (DSPPL)	India	100	100
27	Reliance Natural Resources (Singapore) Pte Limited (RNRL-Singapore)	Singapore	100	100
28	Purthi Hydro Power Private Limited (PHPPL) (w.e.f. 19.05.2011)	India	100	-
29	Teling Hydro Power Private Limited (TPPL) (w.e.f. 19.05.2011)	India	100	-
30	Shangling Hydro Power Private Limited (SPPL) (w.e.f. 19.05.2011)	India	100	-
31	Lara Sumta Hydro Power Private Limited (LHPPL) (w.e.f.19.05.2011)	India	100	-
32	Sumte Kothang Hydro Power Private Limited (SKHPPL) (w.e.f.19.05.2011)	India	100	-
33	Reliance Clean Energy Private Limited (RCEPL) (w.e.f.14.11.2011)	India	100	-
34	Reliance Power International SARL (RPIS) (up to 30.06.2011)	Luxembourg	-	100
35	Solar Generation Company (Rajasthan) Private Limited (SGCPL) (upto 03.03.2012).	India	-	100
Step-down subsidiaries				
36	Bharuch Power Limited (BPL)	India	100	100
37	Samalkot Power Limited (SMPL)	India	100	100
38	Reliance Solar Resources Power Private Limited (RSRPPL)	India	100	100
39	Reliance Wind Power Private Limited (RWPPPL)	India	100	100
40	Reliance Clean Power Private Limited (RCPPPL)	India	100	100

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

Sr. No.	Name of Company	Country of Incorporation	Proportion (%) of shareholding as on March 31, 2012	Proportion (%) of shareholding as on March 31, 2011
41	Reliance Renewable Power Private Limited (RRPPL) (upto 03.03.2012).	India	-	100
42	Reliance Biomass Power Private Limited (RBPPL) (upto 03.03.2012).	India	-	100
43	Reliance Tidal Power Private Limited (RTPPL) (upto 03.03.2012).	India	-	100
44	Reliance Geothermal Power Private Limited (RGTPPL) (upto 03.03.2012).	India	-	100
45	Reliance Green Power Private Limited (RGPPL) (upto 03.03.2012).	India	-	100
46	Reliance Power Netherlands BV (RPN)	Netherlands	100	100
47	PT Heramba Coal Resources (PTH)	Indonesia	100	100
48	PT Avaneesh Coal Resources (PTA)	Indonesia	100	100
49	PT Brayan Bintang Tiga Energi (BBE)	Indonesia	100	100
50	PT Sriwijaya Bintang Tiga Energi (SBE)	Indonesia	100	100
51	PT Sumukha Coal Services (PTS)	Indonesia	99.60	99.60

c) Use of estimates

The preparation and presentation of financial statements requires estimates and assumptions and / or revised estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

d) Tangible assets and capital work-in-progress:

- (i) The gross block of tangible assets are stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.
- (ii) All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to construction of project including carpet coal laid prior to commissioning, borrowing cost incurred prior to the date of commercial operation and trial run expenditure, coal mine development expenses are shown under Capital work-in-progress. These expenses are net of recoveries, revenue earned from sale of energy (known as infirm power) which is generated prior to commissioning and income (net of tax) from surplus funds arising out of project specific borrowings.
- (iii) Any exchange difference arising on long term foreign currency monetary items on revaluation or settlement at the rate different from the one which were previously reported, in so far relates to depreciable capital assets are added / deducted from cost of such assets. Also refer note 2 (l) below.
- (iv) Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.
- (v) Construction stores have been valued at weighted average cost.

e) Intangible assets:

- (i) Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured.
- (ii) Expenditure incurred on acquisition/development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development.
- (iii) Mining Rights represents directly attributable cost (other than the land cost) incurred for obtaining the mining rights and are disclosed as part of Intangible assets in line with the requirements of the Act.

f) Inventories

Inventories are stated at lower of cost and net realisable value. In case of fuel, stores and spares, "cost" means weighted average cost.

g) Depreciation / amortization:

- (i) Tangible assets

Tangible assets are depreciated under the straight line method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, read with the General Circular No. 31/2011 issued by the Ministry of Corporate Affairs dated May 31, 2011, as applicable.

Reliance Power Limited

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

In case of RPSCL, for thermal generating assets, i.e., plant and machinery block, depreciation is charged at the rate of 3.8% p.a. as per the order dated May 24, 2011, issued by the Ministry of Corporate Affairs.

In case of DSPPL, for solar photo voltaic assets, i.e., plant and equipment block, depreciation is charged at the rate of 7% p.a. for first ten years and thereafter at 1.33% p.a. for the remaining fifteen years as prescribed under Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009.

Leasehold land is amortised over the lease period from the date of advance possession received or lease deed executed, whichever is earlier, except lease hold land for coal mining, which is amortised over the period of mining rights.

(ii) Intangible assets

Software expenses are amortised over a period of three years. Mining Rights are amortised over the period of rights.

h) Investments

Long-term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments. Current investments are valued at lower of cost and fair value.

i) Provisions and contingent liabilities

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

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

j) Impairment of assets

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

k) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

l) Foreign currency transaction:

- (i) Foreign currency transactions are initially accounted at the exchange rates prevailing on the dates of the transactions / exchange rate at which the transaction is actually effected.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Group has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:
 - Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and the charge of depreciation is accordingly increased / reduced.
 - In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation difference Account" and amortised over the balance period of such long term assets/liabilities.
- (iv) Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of transaction / exchange rate at which the transaction is actually effected.

m) Revenue Recognition:

- (i) In case of RPSCL, revenue from sale of energy is recognized 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 tariff rates are yet to be approved/agreed, provisional rates are adopted based on the principles enunciated in PPA and UPERC regulations. The surcharge on late payment/overdue Trade receivables for sale of energy is recognised when no significant uncertainty as to measure or collectability exists.

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

- (ii) In case of DSPPL, revenue from sale of energy is recognised on an accrual basis as per the tariff rate notified by Central Electricity Regulatory Commission (CERC) in accordance with the provisions of power purchase agreement with customers.
- (iii) Income from fuel handling and service charges is recognised on the basis of services rendered as per the terms of contract. Revenue on trading of coal rejects is recognised on transfer of property to the buyers for consideration.
- (iv) Profit on sale / redemption of investments is accounted on sale / redemption of such investments. Interest income on fixed and inter-corporate deposit is recognised on time proportionate basis. Dividend is recognised when right to receive is in Group's favour. Income on fixed maturity plan of mutual fund is recognised on an accrual basis based on the net asset value on the reporting date taking into consideration the principles of reasonable certainty.

n) Employee benefits:

- (i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss / Capital work-in-progress, as applicable.

- (ii) Defined contribution plans

Contributions to defined contribution schemes such as provident fund, superannuation, etc are charged off to the Statement of Profit and Loss / Capital work-in-progress, as applicable, during the year in which the employee renders the related service.

- (iii) Defined benefit plans

The Group also provides employee benefits in the form of gratuity and leave encashment, the liability for which as at the year end is determined by independent actuary based on actuarial valuation using the projected unit credit method. Such defined benefits are charged off to the Statement of Profit and Loss / Capital work-in-progress, as applicable. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss /Capital Work-in-progress, as applicable.

o) Employee stock option scheme (ESOS)

The employees of the Group and independent directors are entitled for grant of stock option (equity shares), based on the eligibility criteria set in ESOS plan of the Group. The employee compensation expenses are accounted on the basis of "intrinsic value method". The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Group recognizes compensation cost on the basis of estimated number of stock options expected to vest. Subsequently, if there are any indications resulting in a difference in the number of stock option expected to vest, the Group revises its previous estimate and accordingly recognises / (reverses) compensation cost on employee service.

p) Accounting for taxes on income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

q) Accounting for oil and gas activity

The Group follows "Successful Efforts Method" for accounting of oil and gas exploration activities as set out by the Guidance Note issued by the Institute of Chartered Accountants of India on oil and natural gas producing activities. 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.

r) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as issue of bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares

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outstanding, without a corresponding change in resources. 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 is adjusted for the effects of all dilutive potential equity shares.

4. (a) Contingent liabilities:

- Counter guarantees / Bank guarantees aggregating to Rs. 243,839 lakhs (Previous year: Rs. 264,675 lakhs) issued primarily to power procurers / banks / financial institutions towards construction of power plant / finance raised by the respective subsidiary.
- Refer note 14 with respect to Coastal Andhra Power Limited.
- In case of SPL, claims not acknowledged as debts Rs. 51 lakhs (Previous year: Rs. 51 lakhs) and demand raised by income tax authorities in dispute Rs. Nil (Previous year: Rs. 152 lakhs)
- In case of CAPL, Government of Andhra Pradesh has levied a penalty of Rs. 137 lakhs (Previous year: Rs.137 lakhs) at the rate of 50% on account of non-payment of conversion fee of Rs. 274 lakhs (Previous year: Rs. 274 lakhs) towards conversion of agriculture land to non-agricultural land at site. CAPL has filed an appeal with the Government of Andhra Pradesh (Revenue department) for wavier of the above amount.

(b) Capital commitments:

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 5,248,550 lakhs (Previous year: Rs. 5,751,367 lakhs).

(c) Other commitments:

The Parent Company has ongoing commitments given to lenders or procurers of power or other regulatory authorities to extend support and provide equity in respect of various projects undertaken by the respective subsidiaries, wherein the amounts of investment would vary considering the project cost and debt equity ratio agreed with the respective lenders.

5. Utilisation of initial public offer proceeds

The utilization of Initial Public Offer (IPO) proceeds up to March 31, 2012 is given below:

Particulars	Rupees in lakhs	
	As at March 31, 2012	As at March 31, 2011
Proceeds from IPO	1,156,320	1,156,320
Utilisation	1,093,929	743,347
Funding subsidiaries to part finance the construction and development costs of following projects		
600 MW Rosa Phase I, 600 MW Rosa Phase II, 300 MW Butibori Phase I, 3,960 MW Sasan, 1,200 MW Shahpur Coal, 400 MW Urthing Sobla, 3,960 MW Krishnapatnam, 700 MW Tato II, 1,000 MW Siyom, 3,960 MW Chitrangi, Coal Resources, 1,200 MW Kalai II, 4,000 MW Tilaiya, 420 MW Amulin, 500 MW Emini, 400 MW Mihundon, 300 MW Butibori Phase II, 2,400 MW Samalkot, 45 MW Vashpet Wind Power, 104 MW Lara Sumta Hydro Power, 130 MW Sumte Kothang Hydro Power, 94 MW Teling Hydro Power, 44 MW Shangling Hydro Power, 300 MW Purthi Hydro Power, 100 MW Rajasthan Sun Technique and 40 MW Dahanu Solar Power		
Share issue expenses	11,858	11,858
Total Utilised Amount	1,105,787	755,205
Unutilised amount (designated for general corporate purposes)	50,533	401,115
Break up of unutilised amount		
Investments in liquid and fixed maturity funds	33,280	316,127
Bank balance in fixed deposits and current account	16,953	84,688
Deposit with Bombay Stock Exchange Limited	300	300
Total	50,533	401,115

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

6. General reserve (arisen pursuant to composite scheme of arrangement)

The General reserve of Rs. 111,957 lakhs 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. Such General 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 Parent Company.

7. 4.928% Convertible Bonds (FCCBs)

Reliance Natural Resources Limited (RNRL) had issued FCCBs of USD 300,000,000 vide letter of offer dated October 12, 2006. The FCCBs were transferred to the Parent Company in terms of composite scheme of arrangement sanctioned by the High Court of Bombay on October 15, 2010. FCCBs were secured by the issuance of an irrevocable letter of credit to the trustee on behalf of the FCCB holders by Barclays Bank Plc. FCCBs were due for redemption on October 17, 2011. FCCB holders were eligible for conversion of FCCBs to equity share at Rs. 104 per share for every fully paid equity share of Rs. 10 each to be issued by the Parent Company on exercise of the option. During the year till the due date of redemption, no FCCBs were converted into equity shares and the Parent Company redeemed the outstanding FCCBs by fully repaying the FCCB holders.

8. Accounting under composite scheme of arrangement

In the previous year, the Composite Scheme of Arrangement ('Scheme') under Section 391 to 394 read with Sections 78, 100 to 103 of the Act 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, was sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010.

As per the terms defined in the Scheme, General Reserve of the Parent Company is a free reserve available for all purpose as the board of directors may determine from time to time, including but not limited to meeting any loss incurred due to variation in exchange rates which are beyond the control of the Parent Company. The Scheme also specifies that any use of General Reserve shall be reflected in Statement of Profit and Loss against the item for which General Reserve is used.

The Parent Company, based on a legal opinion and as per the approval of board of directors has offset the loss amounting to Rs. 13,588 lakhs incurred due to exchange variation on settlement of FCCB, by withdrawing an equivalent amount from General Reserve. The management has been legally advised that the disclosure of said accounting in the Statement of Profit and Loss is in compliance with Revised Schedule VI of the Companies Act, 1956.

Had the Scheme not prescribed the utilization of General Reserve by an equivalent amount of credit to Statement of Profit and Loss towards the exchange loss, the profit before tax of the Group would have been lower by Rs. 13,588 lakhs and the General Reserve would have been higher to that extent.

9. Scheme of amalgamation between Parent Company and Sasan Power Infrastructure Limited

Sasan Power Infrastructure Limited (SPIL), a wholly owned subsidiary of the Parent Company, incorporated with the main object to operate, install, develop, promote and maintain projects in infrastructure sectors including setting up power plants etc., was amalgamated into the Parent Company pursuant to the Scheme of Amalgamation (Scheme), as on and from September 1, 2011, being the appointed date pursuant to the approval of Board of Directors of the Parent Company and sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated December 23, 2011 which was filed with the Registrar of Companies on February 23, 2012.

The Parent Company has carried out the accounting treatment prescribed in the Scheme as approved by the Hon'ble High Court of Judicature at Bombay. The required disclosures as per paragraph 42 of Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 have been provided. Further, the Parent Company has also been legally advised that the accounting treatment including disclosure under Revised Schedule VI carried out is in line with the Scheme approved by the Hon'ble High Court of Judicature at Bombay and is not in violation of any applicable rules and regulations.

Hence, in accordance with the Scheme:

- a) The Parent Company has taken over all the assets aggregating to Rs. 28,006 lakhs and liabilities aggregating to Rs. 5,022 lakhs at their respective book values. The difference aggregating to Rs. 22,984 lakhs being the excess arising on transfer of assets and liabilities has been treated as General Reserve (arising pursuant to the Scheme).
- b) No consideration is payable or receivable on implementation of the Scheme as the Scheme involves a wholly owned subsidiary. The entire issued, subscribed and paid up capital of the subsidiary has been cancelled and no shares have been allotted or exchanged in lieu of the same.
- c) Investments in equity share capital of SPIL amounting to Rs. 20,005 lakhs has been written off in the Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve vide board approval dated May 24, 2012, to off-set the said write off and the same has been credited to Statement of Profit and Loss.

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Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

Had the Scheme not prescribed the above accounting treatments, the treatment in accordance with AS 14 under purchase method would have been, Rs. 22,984 lakhs being the excess arising on transfer of assets and liabilities treated as General Reserve (arising pursuant to the Scheme), would have been treated as Capital Reserve. Also, Rs. 20,005 lakhs being the investment of the Parent Company (share capital plus securities premium) in SPIL debited to Statement of Profit and Loss, would have been debited to Capital Reserve, and Rs. 20,005 lakhs withdrawn from General Reserve would not have been withdrawn.

Since SPIL is a wholly owned subsidiary of the Parent company, there is no impact on the consolidated financial statements on account of the said merger as these transactions get eliminated in the consolidated financial statements.

10. Scheme of Amalgamation between RCGL and Western Alliance Power Limited (WAPL)

Treatment in the books of RCGL

The Board of directors of RCGL, (a wholly owned subsidiary of Parent company w.e.f June 5, 2010) had approved a Scheme of Amalgamation with Western Alliance Power Limited (WAPL) (hereinafter referred to as 'Scheme') at their meeting held on January 5, 2011. The Scheme has been sanctioned by Hon'ble High Court of Gujarat, at Ahmedabad and Hon'ble High Court of Judicature at Bombay vide orders dated March 22, 2011 and April 8, 2011, respectively. The Scheme has become effective on June 3, 2011 on filing with Registrar of Companies with an appointed date as January 1, 2010.

WAPL was incorporated with the main object of production, purchase, distribution, dealing in electricity in all forms etc., and has been merged with RCGL from the appointed date of January 1, 2010. The merger has been accounted under Purchase Method specified in Accounting Standard 14 (AS 14) "Accounting for Amalgamation", prescribed under the Companies (Accounting Standards) Rules, 2006.

In accordance with the Scheme:

- a) All assets aggregating Rs. 203 lakhs and liabilities of Rs. 49 lakhs have been recorded in the books of RCGL at their respective book values as appearing in the books of WAPL.
- b) All inter-company balances and transactions as appearing in the books of RCGL and all inter-company transactions, with effect from the Appointed Date, have been cancelled.
- c) As a consideration, RCGL has allotted one fully paid 6% Non Convertible, Non Cumulative, Redeemable Preference Share of Rs. 10 each for every 10 fully paid equity shares of Rs. 10 each of WAPL, held by its members as on the effective date of Scheme. Accordingly, 1,500,601 Preference Shares have been allotted to the Shareholders of WAPL. These Preference Shares are to be redeemed at par at the end of five year from the date of allotment. However RCGL will have an option to redeem the Preference Shares at any time after the end of six months from the date of allotment at the face value along with any declared and unpaid dividend.
- d) The difference between the assets and liabilities transferred as per paragraph a) above after considering the amount credited as Preference Share Capital as per paragraph c) above and adjustments pursuant to paragraph b) aggregating Rs. 1,936 lakhs has been credited to General Reserve. This General Reserve will be a reserve arising pursuant to the Scheme and will not be treated, for any purpose, as a reserve created by RCGL.
- e) The annual accounts of RCGL for the year ended March 31, 2010 have been revised to give effect to the Scheme and accordingly revised filings has been made with the Registrar of Companies

Had, the Scheme not prescribed the above accounting treatment:

- a) General Reserve would have been lower by Rs. 1,936 lakhs and Capital Reserve would have been higher by Rs. 4 lakhs, in the books of RCGL as on March 31, 2010.
- b) The difference of Rs. 1,932 lakhs on cancellation of intercompany transactions would have been credited to Statement of Profit and Loss. Accordingly profit before tax would have been higher by the said amount in the books of RCGL for the year ended March 31, 2010.

Treatment in the consolidated financial statements of the Group

RCGL has become a wholly owned subsidiary of the Parent Company from June 5, 2010. Since the above Scheme has been sanctioned with an appointed date as January 1, 2010, the Group has given effect to the Scheme as on the date of acquisition i.e June 5, 2010 and accordingly has recalculated the Goodwill/ Capital Reserve as at the acquisition date after giving effect of the Scheme. The Group, based on revised financial statements of RCGL (after giving effect to the Scheme) as at June 5, 2010 has accounted for Rs. 528 lakhs as Capital Reserve in the consolidated financial statements for the year ended March 31, 2012 to give effect to the pre-acquisition profits which had arisen pursuant to the Scheme after adjusting Goodwill of Rs. 188 lakhs already accounted in the previous year, based on the statutory financial statements of RCGL at that point of time.

11. Change in accounting policy (Income on fixed maturity plans of mutual fund)

During the year, based on legal opinion, the Group has changed its accounting policy for income on fixed maturity plans of mutual funds, from recognising it at the time of maturity to recognising it on an accrual basis based on the net asset value as on the reporting date considering the principles of reasonable certainty. Had the Group followed the earlier accounting policy, Profit before tax would have been lower by Rs. 1,990 lakhs.

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

12. 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Guidelines). 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 ESOS Trust.

The ESOS compensation committee of the Board of Directors of the Parent Company approved a grant of 20,000,000 stock options to the eligible employees of the Group on May 8, 2010. The options are granted to the employees of the Group on satisfying the performance and other eligibility criteria set out in ESOS Plan. In accordance with the scheme, each option entitles the employee to apply for one fully paid equity share of Rs. 10 of the Parent Company at an exercise price of Rs 162 per share. The vesting period of options will commence on expiry of one year from the grant date and all the options granted shall vest immediately. The vested options can be exercised by the eligible employees over a period of nine years from the date of vesting.

The Group has opted for accounting the Compensation expenses under 'Intrinsic Value Method'. The closing market price of the Parent Company on the date of grant was Rs. 140.20 per share at National Stock Exchange (being the latest trading price with highest trading volume). As the exercise price of the share is more than market price, the Group has not accounted for any compensation cost. The Parent Company has advanced Rs. 14,000 lakhs (disclosed under note 3.13 Long term loans and advances) to the ESOS Trust for purchase of equity shares from the market. The ESOS trust has purchased 8,500,000 shares from the given advance.

The fair value of option granted was determined under Binomial Option Pricing – Hull & White Model. The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	Option details	
Weighted average share price	Rs. 140.20	
Exercise price	Rs. 162.00	
Expected volatility	41.88%	
Vesting period	One year	
Exercise period	7.25 Years	
Risk free interest rate	7.74%	
Expected dividend	-	
Fair Value of option	Rs. 50.42	
	2011-12	2010-11
Opening balance of options	8,500,000	-
Options granted during the year	-	8,500,000
Vested during the year	8,500,000	-
Exercised during the year	-	-
Closing balance of options	8,500,000	8,500,000

The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option.

Had the Group opted for accounting of Compensation cost under 'Fair value Method', Profit after tax would have been lower by Rs. 434 lakhs (Previous year: Rs. 3851 lakhs) and Earnings per share (Basic and diluted) would have been Rs. 3.07 (Previous year: Rs. 2.79)

13. Project status of Dadri:

- a) The Parent Company is developing a 7,480 MW gas-fired power project to be located at the Dhirubhai Ambani Energy City in Dehra village, Dadri, Uttar Pradesh. The State of Uttar Pradesh in the year 2004 had acquired 2,100 acres of land and conveyed the same to the Parent Company in the year 2005. While the State was in the process of acquiring further 400 acres of land for the project, a few land owners had filed writ petitions before the Allahabad High Court challenging the acquisition process under the Land Acquisition Act, 1894 ("the Act"). The Allahabad High Court has disposed of the writ petitions upholding the Section 4 notification and directed compliance with certain procedures relating to land acquisition that were left out earlier by the State Government. The Parent Company has filed an appeal against the Allahabad High Court order which is now pending before the Supreme Court. Few land owners have also filed appeals / petitions before the Supreme Court challenging Allahabad High Court's order upholding the Section 4 notification and alleging highhanded and forceful actions during the acquisition process, which are pending.
- b) The construction and other allied activities at Dadri project will be commenced as soon as the gas supply is firmed up and on settlement of land issues. Considering the delay in the project execution, due to litigation as stated above, the Parent Company as a matter of prudence, has written off the incidental expenditure amounting to Rs. 2,778 lakhs in the Statement of Profit and Loss.

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Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

14. Project status of Coastal Andhra Power Limited (CAPL)

CAPL, a wholly owned subsidiary of Parent Company, has been set up for the purpose of development of Ultra Mega Power Project (UMPP) of 3,960 MW located in Krishnapatnam, District Nellore, based on imported coal sourced from Indonesia.

The Government of Indonesia introduced a new regulation in September 2010 which prohibits sale of coal, including sale to affiliate companies, at below Benchmark Price which is linked to international coal prices and requires adjustment of sale price every 12 months. This regulation also mandates to align all existing long-term coal supply contracts with the new regulations within one year i.e. by September 2011. CAPL had entered into a firm price fuel supply agreement with Reliance Coal Resources Private Limited (RCRPL), a wholly owned subsidiary of the Parent Company. In view of this new regulation, RCRPL now needs to supply coal at the market price, because of which an element of uncertainty has arisen in the fuel supply for the CAPL project, wherein the power needs to be supplied at a pre-agreed tariff as per the terms of Power Purchase Agreement (PPA) dated March 23, 2007. The said issue has been communicated to the power procurers and also to the Government of India through the Association of Power Producers to arrive at a suitable solution to the satisfaction of all the stakeholders.

Notwithstanding the above, considering the terms of PPA, CAPL has issued a dispute resolution notice to the procurers of power under the force majeure clause of the PPA, considering the change in Indonesian regulations as an event of force majeure. The procurers of power under the terms of PPA have also issued a notice for termination of PPA and have raised a demand for liquidated damages of Rs. 40,000 lakhs (including bank guarantee of Rs. 30,000 lakhs), which has been disclosed under contingent liability.

CAPL has filed a petition before the Hon'ble High Court at Delhi inter alia for interim relief under Section 9 of the Arbitration and Conciliation Act, 1996. The Court vide its order dated March 20, 2012 has granted such relief and prohibited the Procurers from taking any coercive steps against CAPL.

Based on the legal opinion obtained with regard to applicability of force majeure clause for the change in law in Indonesia and considering the nature of expenditure incurred till date at the project, no provision for impairment is considered in respect of the capital expenditure incurred till date and for the aforesaid demand raised by the procurers of power.

15. Exchange differences on foreign currency monetary items

In respect of exchange rate difference arising on long term foreign currency monetary items, the Group has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the Group has adjusted exchange loss of Rs. 3,847 lakhs (Previous year gain of Rs. 393 lakhs) to the cost of tangible assets and Rs. 35,159 lakhs (Previous year gain of Rs. 2,629 lakhs) to capital work-in-progress, as the long term monetary items relate to depreciable capital asset. The Group has also accumulated a gain of Rs. 3,070 lakhs to "Foreign currency monetary item translation difference account" towards exchange variation on revaluation of long term monetary items other than on account of depreciable assets.

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

The Group has classified various employee benefits as under:

Defined contribution plans

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

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

The Group has recognised the following amounts in the Statement of Profit and Loss / Capital work-in-progress for the year:

	Rupees in lakhs	
	Year ended March 31, 2012	Year ended March 31, 2011
(a) Contribution to provident fund	414	338
(b) Contribution to employees' superannuation fund	53	56
(c) Contribution to employees' pension scheme 1995	48	40

Defined benefit plans

- (a) Gratuity
- (b) Leave encashment

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

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

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

	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Discount Rate (per annum)	8.50%	8.25%	8.50%	8.25%
Rate of increase in compensation levels	7.50%	7.50%	7.50%	7.50%
Rate of return on plan assets	8.25%	8.25%	8.25%	8.25%
Expected average remaining working lives of employees in years	5 to 12	8 to 26	-	-

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.

Particulars	Rupees in lakhs			
	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
(i) Changes in present value of obligation				
Opening balance of present value of obligation	518	305	473	322
Liability on amalgamation of RNRL	6	28	32	53
Liability on transfer of employees within the Group (net)	15	2	14	(34)
Interest cost	54	31	61	40
Current service cost	175	105	373	201
Actuarial (gains) / loss	(72)	53	(254)	(33)
Benefits paid	-	(6)	(13)	(76)
Liabilities assumed on acquisition	8	-	12	-
Closing balance of present value of obligation	704	518	698	473
(ii) Changes in fair value of plan assets				
Opening balance of present value of plan assets	518	370	-	13
Plan asset on arrangement with RNRL	-	24	-	-
Assets on transfer of employees within the Group (net)	-	6	-	-
Expected return on plan assets	43	27	-	-
Employer's contributions	263	158	13	71
Actuarial gains / (losses) on plan assets	8	(8)	-	-
Benefits paid	-	(5)	(13)	(84)
Amount not recognised as an asset (Para 59(b))	(5)	-	-	-
Contribution refunded	-	(1)	-	-
Closing balance of fair value of plan assets	827	571	-	-
Plan assets pending transfer	-	(53)	-	-
Closing balance of fair value of plan assets (including pending transfer)	827	518	-	-
(iii) Percentage of each category of plan assets to total fair value of plan assets				
Administered by Insurance companies of respective subsidiaries	100%	100%	-	-
(iv) Reconciliation of present value of defined benefit obligations and the fair value of assets				
Closing balance of present value of obligation	704	518	698	507

Reliance Power Limited

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

Rupees in lakhs

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Closing balance of fair value of plan assets (including pending transfer)	827	518	-	-
Funded (asset)* / liability recognised in the Balance Sheet	(134)	@	-	507
Unfunded liability recognised in the Balance Sheet	11	-	698	-
(v) Amount recognised in the Balance Sheet				
Closing balance of present value of obligation	704	518	698	507
Closing balance of fair value of plan assets (including pending transfer)	827	518	-	-
Funded (asset)/ liability recognised in the Balance Sheet (Net)*	(134)	@	-	507
Unfunded liability recognised in the Balance Sheet*	11	-	698	-
@ Amount is below the rounding off norm adopted by the Group				
(vi) Expenses recognised in the Statement of Profit and Loss / Capital work-in-progress				
Current service cost	175	105	373	201
Interest cost	54	31	61	40
Expected return on plan assets	(43)	(27)	-	-
Net actuarial (gain)/loss	(80)	61	(254)	(33)
Past service cost	-	-	-	-
Effects of limit as per para 59(b)	5	-	-	-
Total expenses recognised during the year	111	170	320	208
Excess provision written back	-	-	(140)	-
(vii) Actuarial (gain) / loss on obligation				
Net actuarial (gain) / loss due to experience	(56)	61	(234)	(33)
Net actuarial (gain) / loss due to change in assumption	(24)	-	(20)	-
(viii) Expected employers' contribution for the next year	144	138	-	-

* Reflected under prepaid expenses Rs. 160 lakhs in long-term loans and advances. (Refer note 3.13) and under short-term / long-term provisions Rs. 37 lakhs (Refer notes 3.5 and 3.9)

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

		Rupees in lakhs				
Gratuity		2011-12	2010-11	2009-10	2008-09	2007-08
(a)	Present value of the defined benefit obligation	704	518	305	183	70
	Fair value of the plan assets	827	518	370	224	82
	(Surplus)/Deficit in the plan	(123)	@	(65)	(41)	(12)
(b)	Experience adjustments					
	On plan liabilities	(48)	53	(14)	33	-
	On plan assets	8	(8)	(3)	(@)	-
	Total experience adjustments	(56)	61	(11)	33	-

		Rupees in lakhs				
Leave encashment		2011-12	2010-11	2009-10	2008-09	2007-08
(a)	Present value of the defined benefit obligation	698	507	322	174	45
	Fair value of the plan assets	-	-	13	2	-
	(Surplus)/Deficit in the plan	698	507	309	172	45
(b)	Experience adjustments					
	On plan liabilities	(234)	(33)	(56)	69	-
	On plan assets	-	-	-	-	-
	Total experience adjustments	(234)	(33)	(56)	69	-

@ Amount is below the rounding off norm adopted by the Group

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

17. Segment Reporting

The Group operates in two business segments i.e. Power Generation and Associated Business Activities (termed as "Others"). Associated Business Activities includes project management, supervision and support services for generation and allied processes. Business segments have been identified as reportable primary segment in accordance with Accounting Standard 17 'Segment Reporting' as prescribed under Companies (Accounting Standards) Rules, 2006, taking into account the Group organizational and internal reporting structure as well as evaluation of risk and return for these segments. Segment reporting policies are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included as "un-allocable".

Geographical Segments: Presently, the Group's operations are predominantly confined within India. However, the Group has through its subsidiaries invested in the coal mines located in Indonesia, which currently are in initial stages of development.

Information about Business segments – Primary

Particulars	Year ended March 31, 2012					Year ended March 31, 2011				
	Power Generation	Others	Unallocable	Eliminations	Total	Power Generation	Others	Unallocable	Eliminations	Total
Revenue										
External revenue	195,839	6,082	-	-	201,921	102,368	3,108	-	-	105,476
Inter segment revenue	-	530	-	(530)	-	-	530	-	(530)	-
Total revenue	195,839	6,612	-	(530)	201,921	102,368	3,638	-	(530)	105,476
Result										
Segment result	64,042	1,546	-	-	65,588	31,637	784	-	-	32,421
Corporate income (net of corporate expenses)	-	-	37,824	-	37,824	-	-	55,653	-	55,653
Interest and finance charges (net of interest income)	-	-	(8,173)	-	(8,173)	-	-	(10,885)	-	(10,885)
Profit before taxation	64,042	1,546	29,651	-	95,239	31,637	784	44,768	-	77,189
Taxes*	-	-	8,561	-	8,561	-	-	1,145	-	1,145
Profit after tax	64,042	1,546	21,090	-	86,678	31,637	784	43,623	-	76,044
Other Information										
Segment assets	3,476,163	1,915	447,816	-	3,925,894	1,729,272	1,220	858,641	-	2,589,133
Segment liabilities	2,139,690	1,057	28,035	-	2,168,782	749,014	1,131	155,646	-	905,791
Capital expenditure	2,146,033	-	4,871	-	2,150,904	708,909	-	5,444	-	714,353
Depreciation	11,827	-	318	-	12,145	9,970	-	118	-	100,88
Non cash expenses other than depreciation	3,613	-	5	-	3,618	-	-	2,566	-	2,566

* The taxes disclosed above under unallocable also includes taxes from power generation segment.

18. Related party transactions:

As per Accounting Standard 18 'Related Party Disclosures' as prescribed by Companies (Accounting Standards) Rules, 2006, the Group's related parties and transactions are disclosed below:

A. Major Investing Parties/Promoters having significant influence on the Group directly or indirectly

Companies

Reliance Infrastructure Limited (R Infra)
AAA Project Ventures Private Limited (APVPL)

Individual

Shri Anil D. Ambani (Chairman)

B. Other related parties with whom transactions have taken place during the year

(i) Key Management Personnel

Shri J. P. Chalasani (Chief Executive Officer)
Shri Paresh Rathod, Manager (up to 27.05.2011)
Shri Kalidas Ramaswami, Manager (w.e.f. 27.05.2011)

Reliance Power Limited

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

(ii) Enterprises over which individual described in clause (A) above have control

Reliance General Insurance Company Limited (RGICL)
 Reliance Infocom Infrastructure Private Limited (RIIPL)
 Reliance Communications Limited (R Com)
 Reliance Communication Infrastructure Limited (RCIL)
 Reliance Capital Limited (RCL)
 Reliance Life Insurance Company Limited (RLICL)
 Reliance Power Transmisson Limited (RPTL)

(iii) Others

BSES Kerala Power Limited (BKPL), subsidiary of R Infra.

C. Details of transactions and closing balances:

Particulars	Rupees in lakhs			
	Investing parties and others described in clause [B(iii)] above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
Transactions during the year:				
Remuneration to key management personnel				
- Shri K. H. Mankad	-	-	-	-
	-	-	34	34
- Shri J. P. Chalasani	-	-	327	327
	-	-	164	164
- Shri Ramaswami Kalidas	-	-	36	36
	-	-	-	-
- Shri Paresh Rathod	-	-	2	2
	-	-	10	10
Sitting Fees				
- Shri Anil D. Ambani	-	-	1	1
	-	-	1	1
Bank guarantees provided against tender or for performance guarantee against power purchase agreement				
- R Infra	-	-	-	-
	42,120	-	-	42,120
Operating income				
Fuel handling and service charges				
- R Infra	5,827	-	-	5,827
	2,825	-	-	2,825
- BKPL	33	-	-	33
	74	-	-	74
Operating Expenditure				
Fuel handling and service charges				
- BKPL	17	-	-	17
	41	-	-	41
Purchase of coal				
- R Infra	724	-	-	724
	451	-	-	451

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

Particulars	Rupees in lakhs			
	Investing parties and others described in clause [B(iii)] above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
Advances given against EPC / other contracts				-
- R Infra	140,088	-	-	140,088
	404,199	-	-	404,199
Advances refunded against EPC contract				-
- R Infra	125,000*	-	-	125,000
	129,380	-	-	129,380
Professional fees, rent and reimbursement of expenses / taxes paid				
- R Infra	1,802	-	-	1,802
	2,121	-	-	2,121
- RCIL	-	2	-	2
	-	2	-	2
- RCL	-	2	-	2
	-	2	-	2
- RI IPL	-	606	-	606
	-	1,204	-	1,204
- R Com	-	80	-	80
	-	1	-	1
Reimbursement of expenses received				
- R Infra	6	-	-	6
	191	-	-	191
Assets purchased				-
- R Infra	1	-	-	1
	-	-	-	-
- R Com	-	23	-	23
	-	82	-	82
Material transferred				
- R Infra	273	-	-	273
	-	-	-	-
- RGICL	-	@	-	@
	-	-	-	-
Sale of energy, including infirm power (net of rebate)				
- R Infra	82	-	-	82
	-	-	-	-
Material and services received				
- R Infra	1,163,169	-	-	1,163,169
	149,866	-	-	149,866
- R Com	-	12	-	12
	-	112	-	112
- RPTL	-	146	-	146
	-	-	-	-

* Includes Rs 100,000 lakhs refund received on cancellation of the assignment of the Contract by R Infra with respect to EPC Contract of JIPL project.

@ Amount is below the rounding off norm adopted by the Group

Reliance Power Limited

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

Particulars	Rupees in lakhs			
	Investing parties and others described in clause [B(iii)] above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
Insurance premium				
- RLICL	-	3	-	3
	-	2	-	2
- RGICL	-	5,662	-	5,662
	-	853	-	853
Closing balances:				
Current liabilities and provisions				
- R Infra	313,549	-	-	313,549
	<i>64,781</i>	-	-	<i>64,781</i>
- RCL	-	-	-	-
	-	2	-	2
- RGICL	-	21	-	21
	-	-	-	-
- RI IPL	-	967	-	967
	-	369	-	369
- R Com	-	382	-	382
	-	370	-	370
Retention payable towards EPC contract				
- R Infra	142,871	-	-	142,871
	<i>18,459</i>	-	-	<i>18,459</i>
Advances against EPC and other contracts				
- R Infra	396,095	-	-	396,095
	<i>651,074</i>	-	-	<i>651,074</i>
Receivables				
- R Infra	2,020	-	-	2,020
	689	-	-	689
- BKPL	3	-	-	3
	33	-	-	33
- RGICL	-	@	-	@
	-	1	-	1

@ Amount is below the rounding off norm adopted by the Group.

Figures in italics are pertaining to previous year.

- R Infra has given additional equity support undertakings to power procurers in respect of Sasan Ultra Mega Power Project (UMPP), Krishnapatnam UMPP and Tilaiya UMPP of the Group for setting up the respective projects.
- R Infra has issued Keep Well Letter in favour of a bank, which in turn has issued letter of credit in favour of FCCB holders of the Company, for which the Parent Company has paid Rs. 36 lakhs (Previous year: Rs. 32 lakhs) to R Infra during the year.
- During the year the Parent Company has issued Commercial paper of Rs. 23,000 lakhs at a discount of 12 % per annum, to RCL and the same has been redeemed at par on the maturity date.
- SMPL has entered into an agreement for sharing of resources and assets with R Infra at the Samalkot location.
- Refer note 28 with regards to transaction of SMPL for proposed lease of land from R Infra.

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

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

19. Earnings per share:

Particulars	2011-2012	2010-2011
Profit available to equity shareholders		
Profit after tax (A) (Rupees in lakhs)	86,678	76,044
Number of equity shares		
Weighted average number of equity shares outstanding (B)	2,805,126,466	2,584,722,698
Basic and diluted earnings per share (A/B) (Rupees)	3.09	2.94
Nominal value of an equity share (Rupees)	10	10

4.928% Convertible Bonds (FCCB) have an anti-dilutive effect on the earnings per share in the previous year and hence have not been considered for the purpose of computing diluted earnings per share

20. Interest in joint venture operations:

During the year, the Group has accounted for Rs. 819 lakhs (Previous period October 15, 2010 to March 31, 2011: Rs.180 lakhs) towards its share of expenditure on survey and prospecting activities.

Disclosure of the Group's share in Joint Venture operations:-

Name of the Subsidiary	Name of the field in Joint Venture	Location	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

The above joint ventures are unincorporated joint ventures carrying out controlled operations. Based on the statement of accounts of consortium, the subsidiaries have accounted for their share of assets, liabilities, income and expenditure of Joint Venture operations in which they hold a participating interest. The Subsidiaries share of assets and liabilities of Joint venture operation are given below:

	Rupees in lakhs	
	As at March 31, 2012	As at March 31, 2011
Current assets		
Inventories	306	306
Short term loan and advances	373	230
Cash and bank balance	8	11
Current liabilities		
Other current liabilities	180	97

- LHPPL, PHPPL, SPPL, SKHPPL and TPPL, developing together around 672 MW of Hydro power projects on built, own, operate and transfer (BOOT) basis, have signed a pre-implementation agreement with Government of Himachal Pradesh on June 1, 2011 and paid an aggregate amount of Rs. 6,720 lakhs to the Government as upfront fees for development and commissioning of the Hydro power projects.
- During the year the Group has disposed off 100% of its shareholding in RPIS, SGCPL, RRPPL, RBPPL, RTPPL, RGTPL and RGPPL. There is no material impact on the consolidated financial statements on account of the same.
- RPSC is liable to pay entry tax on interstate 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 5, 2004 issued by the Government of Uttar Pradesh, RPSC is eligible for grant of a moratorium period of seven years from the date of commencement of operation for payment of entry tax on each phase of project. Accordingly, considering the said policy, RPSC is filing the returns and would make the payments to the regulatory authorities.
- RPSC 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 5, 2004 issued by Government of Uttar Pradesh, RPSC is eligible for grant of a moratorium period of five years from the date of commencement of operation, for payment of value added tax. Accordingly, considering the said policy, RPSC is filing the returns and would make the payments to the regulatory authorities.

Reliance Power Limited

Notes to the Abridged consolidated financial statements for the year ended March 31, 2012

25. In case of RPSCL the deferred tax liability of Rs. 29,701 lakhs on account of temporary differences originating at the year end and reversing after the tax holiday period, considering RPSCL's eligibility to avail deduction under section 80IA of the Income Tax Act, 1961, is less than the deferred tax assets of Rs. 32,288 lakhs as at the year end on account of unabsorbed depreciation and accumulated business loss under Income Tax Act, 1961. RPSCL has not recognised the balance amount of deferred tax assets on consideration of principle of prudence.
26. DSPPL has commissioned 40MW Solar Photovoltaic Power Plant and has started commercial operation from March 28, 2012.
27. The Parent Company, through its subsidiary Maharashtra Energy Generation Limited ("MEGL"), had signed Memorandum of Understanding with Government of Maharashtra (GoM) to set up 4000 MW power project at Shahpur, 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. In view of above the Company informed the GoM vide letter dated September 6, 2011, of its decision not to pursue the project and further requested it to refund the amount initially paid as deposit for acquisition of land. Considering the above facts, MEGL has written off the incidental expenditure amounting to Rs. 835 lakhs in the Statement of Profit and Loss.
28. In case of SMPL, the area in which the plant is under construction includes land admeasuring 61 acres, owned by R Infra which is under its possession through Memorandum of Understanding. SMPL is in the process of entering into a lease agreement with R Infra for the same. Further, pending execution of lease agreement, it has obtained an affirmation from R Infra that the assets on the land is its property.
29. The Management has been legally advised that the Parent Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to it.
- 30. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**
- There are no Micro and Small Scale Business Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.
31. Pursuant to the general exemption granted by the Department of Corporate Affairs, Government of India, the Parent Company is publishing the consolidated and standalone financial statements of Reliance Power Limited and its subsidiaries. The requisite financial information of subsidiaries have been furnished by the management as a part of annual report.
32. The consolidated financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No: 101720 W

Partha Ghosh

Partner

Membership No. 55913

C. D. Lala

Partner

Membership No. 35671

For and on behalf of the Board of Directors

Anil D. Ambani

Chairman

J. L. Bajaj

Dr. Yogendra Narain

Dr. V. K. Chaturvedi

} Directors

J. P. Chalasani

Chief Executive Officer

Ramaswami Kalidas

Company Secretary and
Manager

Place : Mumbai

Date : July 3, 2012

Place : Bengaluru

Date : July 3, 2012

Date : July 3, 2012

Financial information of Subsidiary Companies

Name of Subsidiary	Share Capital Incl. Share Application Money	Reserve and Surplus	Total Assets (Non-Current + Current) except investments	Total Liability(Non-Current + Current)	Investments	Turnover*	Profit/(Loss) before taxation	Provision for Taxation Debited/ (Credited to profit and loss Account	Profit/(Loss) after Taxation
RPSCCL	42,460	158,312	725,744	524,972	-	196,742	42,281	8,418	33,863
SPL	3,599	363,096	1,164,261	809,566	12,000	6,945	6,375	68	6,307
JJPL	1,034	31,067	32,875	774	-	631	475	20	455
CAPL	5,099	98,277	248,588	145,212	-	1	(5)	(35)	30
MEGL	10	4,268	5,019	778	37	2	(842)	(117)	(725)
CPPL	127,169	10,205	140,092	2,718	-	26	26	8	18
VIPL	70,291	232	315,506	244,983	-	659	659	100	559
SHPLL	37	14,781	14,983	165	-	1	1	(13)	14
THPPL	6	5,227	5,757	724	200	164	164	10	154
KPPL	33	12,182	12,516	301	-	@	@	-	@
USHPPPL	1,619	(14)	1,628	23	-	-	@	-	@
AHPLL	39	3,792	3,850	19	-	-	(1)	-	(1)
EHPPL	36	3,509	3,552	7	-	-	(1)	-	(1)
MHPPL	25	2,378	2,407	4	-	-	(1)	-	(1)
MEGIL	50	864	24	2,610	3,500	(102)	(104)	10	(114)
RCRPL	11,772	(4,348)	7,413	(11)	-	34	(769)	1	(770)
RCGL	88,879	128,125	7,589	1,093	210,508	128	113	19	94
BPL	5	@	31	26	@	@	@	-	@
SMPPL	8,661	198,246	658,735	451,828	@	40	29	4	25
BSRPLL	1	@	1	@	-	-	@	-	@
RCRPLL	104	10,155	18,876	8,617	-	-	(2)	-	(2)
RWPPL	1	@	1,103	1,102	-	-	@	-	@
RSTPL	2,211	22,861	28,992	3,920	-	784	733	2	731
CAPIL	5	630	247	2,112	2,500	375	(566)	25	(591)
RPRIMA	5	(185)	11	191	-	@	(62)	-	(62)
ATPL	1	307	429	121	-	-	(150)	-	(150)
AMPPL	1	(139)	52	190	-	-	(1)	-	(1)
RNRL	5	4,711	6,081	1,365	33	12	(1)	-	(1)
RFRL	100	(67)	@	@	-	@	(1)	-	(1)
DSPPL	180	17,881	66,858	57,743	8,946	250	181	-	181
RNRL- Singapore	140,671	16,286	57,714	3,070	102,313	16,669	14,457	-	14,457
PHPPL	32	3,021	3,062	9	-	-	(1)	-	(1)
TPPL	11	983	1,006	12	-	-	(1)	-	(1)
SPPL	6	482	500	12	-	-	(1)	-	(1)
LHPPL	12	1,081	1,106	13	-	-	(1)	-	(1)
SKHPPPL	15	1,338	1,365	12	-	-	(1)	-	(1)
RCEPL	1	@	1	@	-	-	@	-	@
RRPPL	-	@	-	-	-	-	@	-	@
RBPPL	-	@	-	-	-	-	@	-	@
RTPPL	-	@	-	-	-	-	@	-	@
RGTPPL	-	@	-	-	-	-	@	-	@
RGPPPL	-	@	-	-	-	-	@	-	@
SGCPL	-	@	-	-	-	-	@	-	@
RPN S	6,789	260	24,008	16,959	-	1,089	179	9	170
PTH S	4,166	(101)	4,068	3	-	(73)	(82)	-	(82)
PTA S	1,730	(244)	1,508	22	-	(41)	(211)	-	(211)
BBE ^	1,324	84	1,420	12	-	113	107	-	107
SBE ^	3,301	21	3,362	40	-	184	120	-	120
PTS S	118	(24)	59	-	35	10	3	-	3

* Represents other Income also
 Dividend on Preference Shares issued by RNRL - Singapore proposed during the year Rs.679 lakhs, there is no proposed dividend in other subsidiaries.
 S-Reporting currency is USD
 ^ Financial information is based on unaudited results and reporting currency is IDR
 Exchange Rate as on March 31, 2012, 1 IDR = 0.006 INR, 1 USD = 51.1565 INR.
 @ Amount is below rounding off norm adopted by the Group

Reliance Power LimitedRegistered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint shareholders may obtain additional attendance slip at the venue.

DP. Id*	
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Folio No.	
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Client Id*	
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No. of Share(s) held	
-----------------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I/We hereby record my/our presence at the **18th ANNUAL GENERAL MEETING** of the Company held on Tuesday, September 4, 2012 at 2.00 p.m. or soon after conclusion of the annual general meeting of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

*Applicable for investors holding share(s) in electronic form.

Signature of the shareholder or proxy

..... TEAR HERE

PROXY FORM**Reliance Power Limited**Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

DP. Id*	
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Folio No.	
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Client Id*	
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No. of Share(s) held	
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I/We..... of
..... in the district of being a member/
members of Reliance Power Limited hereby appoint of
..... in the district of
or failing him/herof
in the district of as my/our proxy to vote for me/us and on my/our behalf at
the 18th Annual General Meeting of the Company to be held on Tuesday, September 4, 2012 at 2.00 p.m. or soon after
conclusion of the annual general meeting of Reliance Communications Limited convened on the same day, whichever is later,
at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 or at any adjournment thereof.

Signed this day of 2012.

*** Applicable for investors holding shares in electronic form.**

Affix ₹ 1/- revenue stamp

- NOTES: 1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



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If undelivered please return to :

**Karvy Computershare Private Limited
(Unit: Reliance Power Limited)**

Madhura Estate, Municipal No. 1-9/13/C

Plot No. 13 & 13 C, Madhapur Village

Hyderabad 500 081

Tel. : + 91 40 4030 8000

Fax : + 91 40 2342 0859

Email : rpower@karvy.com