

**RELIANCE**

**Power**

**Annual Report  
2012-13  
(Abridged)**



## **Dhirubhai H. Ambani**

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

Reliance Group - Founder and Visionary

# Profile

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

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

RPower presently has 2,545 MW of operational 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.



## Letter to Shareowners



My dear fellow shareowners,

It gives me great pleasure to share with you the highlights of another growth-filled and successful year.

You will be pleased to know that we have doubled our operational capacity from 1,240 MW to 2,545 MW during this year. In addition to our 1,200 MW power plant at Rosa, Uttar Pradesh and the 40 MW Solar PV plant at Dhursar, Rajasthan, we have added 600 MW capacity at Butibori, Maharashtra, 660 MW in our flagship 3,960 MW Sasan Ultra Mega Power Project (UMPP) in Madhya Pradesh, and 45 MW of Wind Power capacity at Vashpet, Maharashtra. We have also completed installation of almost 1,000 MW of capacity in our Samalkot Gas Power Project which is awaiting gas allocation from the government.

The operating performance of our plants during the year was extremely satisfactory. Despite the major coal shortages plaguing the country, the 1,200 MW Rosa plant reported very good performance. The coal based plant operated at an availability of 92 per cent for the year, and generated nearly 8 billion units compared to 4.2 billion units in the previous year. Higher generation and operational efficiencies resulted in significantly better financial performance, and profit from the plant also doubled from the previous year.

The 40 MW Solar PV plant, the largest solar plant in the Country, generated 60 million units of electricity in its first year of operation. The plant registered a record monthly PLF of 23 per cent in March 2013. This would be undoubtedly one of the best performing solar plants in the Country.

In another landmark development, we started coal mining from our Moher and Moher-Amlohri mines in September 2012. These mines were awarded to us along with the Sasan UMPP. We have deployed world class equipment at the mines and started production in record time. These mines will have peak capacity of 20 million tonnes per annum and will be the largest mines in India in terms of volume handled. These are our first operational mines and will go a long way in establishing our credentials as one of the largest integrated power and resources utility players in the Country.

The most significant accomplishment this year is the successful commissioning of the first 660 MW, super critical unit of the

3,960 MW Sasan UMPP. The Sasan UMPP is the largest integrated power plant and coal mining project in the world. We had won the project through tariff based competitive bidding, and have commissioned the project ahead of the bid schedule. Electricity generated from the project is expected to benefit 35 crore Indians spread across the length and breadth of the Country. This is indeed one of the proudest moments in the early days of our operating history. I am confident that the Sasan UMPP will set new benchmarks in operating efficiencies of power plants and coal mining in the country, and help our fellow countrymen to avail affordable and reliable electricity for 25 years.

Your Company is committed towards sustainable development for a greener tomorrow. In our quest to become one of India's largest renewable energy companies, we will commission the 100 MW Concentrated Solar Power (CSP) project in Dhursar, Rajasthan this year, to supplement the already operating 40 MW Solar PV plant and 45 MW Wind Power capacity.

Your Company has also made significant progress in the initial development activities in Indonesia, where we own three coal mines capable of producing up to 30 million tonnes per annum.

Fuel availability is currently the biggest challenge faced by power generation companies in the country. Our strategy of owning large captive coal resources is expected to provide us with a significant competitive advantage compared to our peers. These resources will not only provide self-sufficiency for a large proportion of our assets, but also allow us to provide cost competitive and reliable power to large parts of our country.

### Performance Review

The highlights of the Company's consolidated financial performance for the year are:

- Total income of ₹ 5,284 crore as compared to ₹ 2,767 crore in the previous year.
- Net profit of ₹ 1,011 crore as compared to ₹ 867 crore in the previous year.
- Earnings Per Share (EPS) (basic and diluted) of ₹ 3.61 as compared to ₹ 3.09 in the previous year.

### Corporate Governance

Your Company has always maintained the highest 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 resources 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 is 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 responsible growth.



**Anil Dhirubhai Ambani**  
Chairman

## Notice

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of **Reliance Power Limited** will be held on Tuesday, August 27, 2013 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, 2013, 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 Shri J. L. Bajaj, 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 (the "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 per cent 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 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.

# Reliance Power Limited

## Notice

- 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, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400710

May 13, 2013

## 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 Slips 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 17, 2013 to Tuesday, August 27, 2013 (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 or bank mandates immediately to the Company / Registrar and Transfer Agent, Karvy Computershare Private Limited.
- Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 4, 2012 (date of last Annual General Meeting) on the website of the Company ([www.reliancepower.co.in](http://www.reliancepower.co.in)), as also on the Ministry of Corporate Affairs website.
- 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; and
  - the particulars of the bank account(s) 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, Shri J. L. Bajaj, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. The details pertaining to Shri J. L. Bajaj required to be provided pursuant to the requirements of Clause 49 of the listing agreement are furnished in the statements on Corporate Governance which forms 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 Information' section on the Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in) to aid the Company in its constant endeavour to enhance the standards of service to investors.
- 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.
- 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.



## Notice

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.
18. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agent, for consolidation into a single folio.
20. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

## Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated May 13, 2013

### 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 the 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 at 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 at an extraordinary general meeting of members held on September 1, 2007.

Section 81(1A) of the Companies Act, 1956 and the 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 the 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, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400710

May 13, 2013

# Reliance Power Limited

## Directors' Report

Dear Shareowners,

Your Directors present the 19th Annual Report and the audited accounts for the financial year ended March 31, 2013.

### Financial Results

The standalone and consolidated performance of the Company for the financial year ended March 31, 2013 is summarised below;

Particulars	(₹ in lakh)			
	Financial Year ended March 31, 2013		Financial Year ended March 31, 2012*	
	(Consolidated)	(Standalone)	(Consolidated)	(Standalone)
Total Income	528,377	65,810 <sup>#</sup>	276,678	53,185
Profit before tax	119,961	51,338	95,239	31,094
Less: Provision for taxation	18,815	(55)	8,561	8
Profit after tax	101,146	51,393	86,678	31,086
Add: Surplus in the statement of profit and loss from previous year	179,102	35,221	127,424	39,135
Less: Transfer to General Reserve	35,000	35,000	35,000	35,000
Balance at the end of the year	245,248	51,614	179,102	35,221

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

<sup>#</sup> Includes exceptional item

### Financial Performance

During the year under review, the total Income of the Company was ₹ 65,810 lacs against ₹ 53,185 lakh in the previous year on a standalone basis. The Company has earned a Profit after tax of ₹ 51,393 lacs compared to ₹ 31,086 lacs 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 either directly or through its Subsidiaries. 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, 2,200 MW are already operational while the other power projects are under various stages of development. The first 660 MW unit of the 6X660 MW Ultra Mega Power Project (UMPP) being developed by its Subsidiary, Sasan Power Limited was commissioned towards the close of the financial year. The Sasan Project is the largest integrated power project in the world with its own captive coal mines to cater to the fuel requirements of the Plant. The first Unit (300MW) of the Power Plant at Butibori being developed by its Subsidiary, Vidarbha Industries Power Limited commenced commercial operations in April 2013.

The second unit of the Butibori Power Project (Capacity 300 MW) and the Wind Power Project at Vashpet, Maharashtra (Capacity 45 MW) are also expected to be commissioned during the current financial year which will make the operational capacity 2545 MW.

The year gone by was significant in that the Company could make significant additions to its capacity.

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.

### Scheme of Amalgamation

Reliance Clean Energy Private Limited, a wholly owned subsidiary of the Company amalgamated into the Company with effect from April 20, 2013, in terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated April 5, 2013. The appointed date was January 1, 2013.

Pursuant to Schemes of Amalgamation approved by the Jurisdictional High Court, Reliance Fuel Resources Limited and Maharashtra Energy Generation Infrastructure Limited which were earlier wholly owned Subsidiaries of the Company have been merged into Vidarbha Industries Power Limited (VIPL) and Dahanu Solar Power Private Limited (DSPPL) effective from April 18, 2013 and May 10, 2013, respectively with appointed date being January 1, 2013. Both VIPL and DSPPL continue to remain subsidiaries of the Company.

### 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.

### Subsidiaries

During the year, Reliance Green Power Private Limited, has become a step-down wholly owned subsidiary of the Company.

During the year, Reliance Clean Energy Private Limited (since merged into the Company effective from April 20, 2013), has ceased to be subsidiary of the Company and Reliance Fuel Resources Limited and Maharashtra Energy Generation Infrastructure Limited, (since merged) have ceased to be direct subsidiaries of the Company.

**Directors' Report**

In accordance with the general circular issued by the Ministry of Corporate Affairs (MCA), Government of India (GOI), the 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 the respective subsidiary companies.

Further, pursuant to the provisions of Accounting Standard AS-21 prescribed under the Companies (Accounting Standards) Rules, 2006 and the 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, Shri J. L. Bajaj, Independent Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting (AGM).

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.

**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 the financial year ended March 31, 2013, 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, 2013 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

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

- iv. the Directors had prepared the annual accounts for the financial year ended March 31, 2013 on a 'going concern' basis.

**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, and M/s. Price Waterhouse, 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 the notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

**Consolidated Financial Statements**

The Audited Consolidated Financial Statements based on the Financial Statements received from Subsidiaries, as approved by their respective Boards of Directors, have been prepared in accordance with 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.

**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 in earlier years, 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

Sr.	Particulars	ESOS Plan 2010
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 - EPS of the Company	₹ Nil ₹ Nil
m.	Weighted- average exercise prices of Options granted during the year where exercise price is less than market price.	Company has not granted any option during the year.
n.	Weighted- average fair values of Options granted during the year where exercise price is less than market price.	Company has not granted any option during the year.
o.	Significant assumptions made in computation of fair value risk-free interest rate, expected life, expected volatility, expected dividends (yield) and the price of the underline share in market at the time of grant	Company has not granted any option during the year.

The Company has received a certificate from the Auditors of the Company that the ESOS Plan 2010 has been implemented in accordance with the SEBI 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 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.

### Business Responsibility Reporting

SEBI vide its Circular CIR/CFD/DIL/8/2012 dated August 13, 2012, has mandated the top 100 listed entities, based on market capitalisation on Bombay Stock Exchange and National Stock Exchange as at March 31, 2012, to include Business Responsibility Report ("BRR") as part of the Annual Report. In view of FAQ's dated May 10, 2013 issued by SEBI, the BRR has been uploaded on the website of the Company [www.reliancepower.co.in/investor information/shareholders](http://www.reliancepower.co.in/investor%20information/shareholders). Any shareholder interested in obtaining physical copy of BRR may write to the Company Secretary at the registered office of the Company.

### 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  
May 13, 2013

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, 2013:

- a. **Conservation of Energy:** Since the Company has not yet undertaken any manufacturing activity, the particulars with respect to conservation of energy are not applicable. However, 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.
- b. **Technology Absorption:** The Company has not carried out any research and developmental activities. However, it has been constantly active in harnessing and tapping the latest and best technology in the industry.
- c. **Foreign Exchange Earnings and Outgo:**

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

- a. Total Foreign Exchange earnings : ₹ 1,420 lakh (Previous year ₹ 679 lakh)
- b. Total Foreign Exchange outgo : ₹ 84 lakh (Previous year ₹ 5,734 lakh)

**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 authorities, 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**

The year 2012-13 turned out to be a difficult one for the Indian economy as the GDP growth rate fell to just 5.0 per cent, the lowest in a decade. The slowdown can be attributed both to domestic and external factors. High fiscal deficit, dependence on foreign inflows to finance the current account deficit (CAD), lower savings and lower investment, a tight monetary policy to contain inflation - all contributed to lowering growth. Global economic growth also fell from 3.9 per cent in 2011 to 3.2 per cent in 2012 primarily because of the Euro crisis and uncertainties in fiscal policy in the US. This further contributed to lowering India's growth. There was a widespread concern in almost all sectors which were affected by the slowdown.

However, recent developments indicate that 2013-14 could turn out to be better. The government has announced several measures in the recent months to curb fiscal deficit and improve the financial health of the Country. Falling crude oil prices should also help in reducing the Current Account Deficit (CAD). Even the RBI has slowly reduced interest rates to provide impetus to growth. The global economy has also shown signs of stabilization with improving financial conditions and investment environment. Improvements in the housing sector and low unemployment rates in the US led to the Dow Jones Industrial Average reaching an all time high in May 2013. Thus, the prospects for 2013-14 look better with projected GDP growth at 5.5 per cent.

**Power Sector**

As is widely acknowledged, there is a very high degree of correlation between power sector growth and economic growth. Therefore, it is imperative that power sector needs to grow for sustainable economic growth. The power sector faced a slowdown in 2012-13 primarily due to fuel constraints and challenging policy environment. The growth in electricity generation fell to just 4 per cent in 2012-13 compared to 8.1 per cent in 2011-12.

The government is conscious of the difficulties being faced by the power sector and has accordingly initiated steps to revive the investment environment in the sector. A major impediment for the sector has been the undue delay in getting regulatory

# Reliance Power Limited

## Management Discussion and Analysis

clearances due to lengthy decision making process which involve different ministries both at the Central and State government levels. As a step towards mitigating these problems, the government has established the Cabinet Committee on Investment (CCI) which aims to fast track regulatory clearances and resolve inter ministerial differences at the Central Cabinet level. This is expected to significantly reduce the time taken for obtaining clearances.

The government has recognised that, distribution reforms are also critical for improvement of the financial condition of the power sector. The government has notified a scheme for Financial Restructuring of the State Distribution Companies. Once implemented, this scheme is expected to significantly bolster the financial health of the distribution companies.

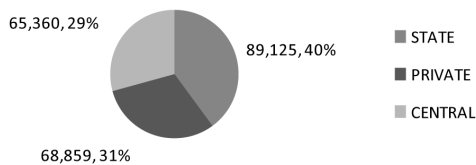
Another major problem plaguing the sector is availability of fuel – both coal as well as gas for power generation. The government, at the highest levels, has been considering various measures for improving fuel availability for power plants including import of coal and gas till domestic production is ramped up. However, the critical issue has been the modalities for passing on the increased cost of fuel. The government has been considering various methods including pooling. Regulators, at the Central and State levels have also been playing an important role in providing a framework under which mutually acceptable solutions could be arrived at for the difficult problems being faced by the power sector. In view of all these measures it is expected that many of the challenges presently being faced by the power sector would be addressed.

### Installed generation capacity

The total installed power generation capacity of India as on March 31, 2013 was 223,344 MW of which over 31 per cent was contributed by the private sector.

### Sector wise generation capacity (in MW) as on March 31, 2013\*

Sector-wise generation capacity: 31 Mar 13 (MW)

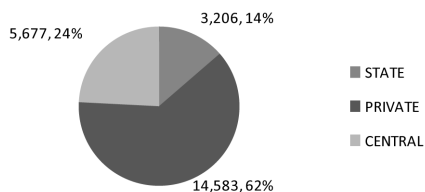


\* Excluding captive generation capacity connected to grid Source: CEA

India added generation capacity of 23,467 MW in FY12-13, a 10.6 per cent decrease over the capacity addition in FY11-12. The private sector was the biggest contributor accounting for over 62 per cent of the total capacity added in FY12-13.

### Sector wise generation capacity added (in MW) in FY 12-13\*

Sector-wise capacity addition FY13 (MW)



\* Excluding captive generation capacity Source: CEA

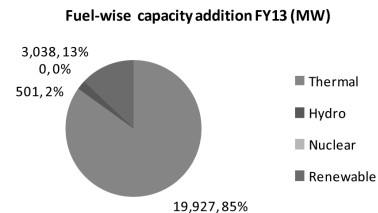
India has been traditionally dependent on thermal power as a source of power generation, which constitutes about 68 per cent of the current capacity. The balance is contributed by hydroelectric power (18 per cent), nuclear (2 per cent), and renewable energy (12 per cent).

### Fuel wise generation capacity (in MW) as on 31st March 2013\*

Fuel	Installed Capacity (MW)	Share of installed capacity as %
Thermal	151,530	67.8
Coal	130,221	58.3
Gas	20,110	9.0
Diesel	1,200	0.5
Hydroelectric	39,491	17.7
Nuclear	4,780	2.1
Renewable energy	27,542	12.3
<b>Total</b>	<b>223,344</b>	<b>100.0</b>

\* Excluding captive generation capacity connected to grid Source: CEA

### Fuel wise generation capacity added (in MW) in FY2012-13



\* Excluding captive generation capacity Source: CEA

With over three-fourth 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.

### Power generation

The total power generation in India during FY12-13 was 911.7 billion units (4.0 per cent higher than FY11-12) and was 1.97 per cent lower than the target estimates set for FY12-13.

### Sector wise power generation performance in FY2012-13

Sector	Power generation (billion units)	Percentage share	Percentage of installed capacity as %	Average PLF (thermal) as %
State sector	347.1	38	40	66
Central sector	375.9	41	29	79
Private sector	184.0	20	31	64
Imported	4.8	1		
<b>Total</b>				<b>70</b>

Source: CEA

### Fuel wise power generation performance in FY2012-13

Fuel	Power generated (MU)	Share in generation as %	Share in generation capacity as %
Thermal	760	83	68
Hydroelectric	114	4	18
Nuclear	33	12	2
Imported	5	1	0
<b>Total</b>	<b>912</b>	<b>100</b>	<b>100</b>

Source: CEA

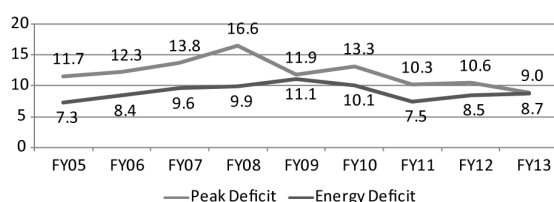
Management Discussion and Analysis

Power Sector Outlook

● Demand and supply outlook

India faces a crippling power crisis. The energy deficit in FY12-13 was 8.7 per cent and the peak power deficit was 9.0 per cent indicating a huge gap between demand and supply of electricity. The following table highlights the deficit situation in the last few years:

Power deficit scenario – all India in the period FY 05-13 (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 compounded 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 27,542 MW now – a growth of over 250 per cent in just six 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 ₹ 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.

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

Almost 60 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,

## Management Discussion and Analysis

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 16 mmscmd in 2013. 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 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.

As per the Power Finance Corporation's report on the performance of State Power Utilities till March 2011, aggregate book losses of the Utilities is almost Rs 62,000 crore. There is a revenue gap of Rs 0.77 for each unit of electricity sold. Even the AT&C losses have lagged the targets and are reported to be about 26 per cent for the Country.

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.

As a step towards improving the financial health of the electricity distribution companies, the government has notified a scheme for Financial Restructuring of the State Distribution Companies. Once implemented this scheme is expected to significantly bolster the financial health of the distribution companies.

### 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 equipments
- 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, some are operational while the other power projects are under various stages of development.

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

The Rosa power plant completed another year with excellent operational and financial numbers. In the first full year of 1,200 MW operations, the plant generated 7,952 million units of electricity.

The entire electricity generated from the project is sold to Uttar Pradesh on a regulated tariff basis and the Plant provides power to over 30 lakh households in India's largest state.

#### ii. Solar Photovoltaic (PV), a 40 MW solar power project in Rajasthan

The 40 MW solar photovoltaic plant in Rajasthan completed its first year of operations. It generated 60 million units of electricity.



## Management Discussion and Analysis

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

The 600 MW Butibori power plant in Nagpur, Maharashtra is ready for power generation. One 300 MW unit has been commissioned, while the second one has been synchronized.

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

Sasan Power Limited (SPL), a wholly owned subsidiary of Reliance Power is developing the 6 x 660 MW project in Madhya Pradesh. The first 660 MW super-critical unit of the project was commissioned in March 2013 ahead of the original Power Purchase Agreement (PPA) schedule. This is the first supercritical unit in the portfolio of the Company. Construction work is in progress for the remaining five 660 MW units and the units are expected to be commissioned as per schedule. Coal production from the associated Moher coal mines had already commenced from September 2012.

### v. **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 covering four states. However, the project is facing issues consequent upon changes in regulations in Indonesia from where coal was intended to be imported for the Project. 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 raised a dispute. The procurers on the other hand have initiated the process for terminating the PPA against which the Company has approached the Delhi High court and the matter is sub-judice. The Company has also referred the dispute regarding the validity of termination notice issued by the procurers to the Indian Council of Arbitration. The Company has also filed a petition before the Central Electricity Regulatory Commission seeking appropriate relief without prejudice to the proceedings pending before the Delhi High Court and the arbitration process has already been initiated.

### vi. **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.

### vii. **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 the Plant 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.

### viii. **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.

### ix. **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 milestones and are likely to be developed in the next few years.

### x. **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 FY 2013-14. Reliance Clean Power Private Limited, another subsidiary, is developing a 45 MW wind farm in Maharashtra which is also expected to be commissioned in the later half of 2013.

### 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.

### 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.

# Reliance Power Limited

## Management Discussion and Analysis

### 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 to have an 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 1,500 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 Company has installed simulators at various project locations where operational training services are 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 power projects as given below.

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
Chitrangi Power Private Limited	Chitrangi
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

An extract of the Consolidated Balance Sheet is placed below:

Particulars	(₹ in lakh)	
	2012-13	2011-12
Shareholders' Fund	1,858,258	1,757,112
Long Term Borrowings	2,421,457	1,426,271
Other Non Current Liabilities	295,847	387,257
Current Liabilities	617,824	355,254
<b>Total</b>	<b>5,193,386</b>	<b>3,925,894</b>
Fixed Assets	3,928,657	2,836,902
Other Non Current Assets	381,322	519,088
Current Investments	4,010	141,046
Other Current Assets	879,397	428,858
<b>Total</b>	<b>5,193,386</b>	<b>3,925,894</b>

Long term borrowings have increased to ₹ 24,214.57 crore from ₹ 14,262.71 crore.

Fixed assets have increased to ₹ 39,286.57 crore from ₹ 28,369.02 crore.

Current investments were at ₹ 40.10 crore in FY13 end as compared to ₹ 1,410.46 crore in FY12 end.

#### Financial Performance

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

Particulars	(₹ in lakh)	
	2012-13	2011-12
<b>Income</b>		
Sale of energy	<b>492,488</b>	195,839
Income from Other Operations	<b>171</b>	6,082
Dividend Income	<b>1,275</b>	16,663
Profit on redemption of MFs	<b>842</b>	19,780
Miscellaneous Income	<b>33,601</b>	38,314
<b>Total</b>	<b>528,377</b>	276,678
<b>Expenditure</b>		
Cost of Fuel consumed	<b>256,207</b>	112,854
Purchase of energy/coal rejects	<b>38,517</b>	689
Other Operating Expenditure	<b>702</b>	3,848
Employee Benefits Expenses	<b>8,034</b>	5,961
General, Administration & Other Expenses	<b>17,910</b>	16,180
Depreciation / Amortization	<b>28,513</b>	12,145
Finance Cost	<b>58,533</b>	29,762
<b>Total</b>	<b>408,416</b>	181,439
<b>PBT</b>	<b>119,961</b>	95,239
Taxes	<b>18,815</b>	8,561
PAT	<b>101,146</b>	86,678
EPS (Rupees) (basic and diluted)	<b>3.61</b>	3.09

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 policies 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 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 has been set up to address environmental aspects, 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.

**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 Comment**

Member(s) of the Shareholders / Investors Grievances 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.

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 Human Resources (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 will shortly conduct an employee engagement survey through an independent external organisation aimed to identify the areas of strengths as well as those which need improvement. The results of this survey will be communicated to all employees and appropriate action will be taken to enhance employee satisfaction based on their feedback.

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](http://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 Registrars and Transfer Agents spread in more than 80 branches 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,

Corporate Governance Report

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:

M/s Price Waterhouse, Chartered Accountants

M/s Chaturvedi & Shah, Chartered Accountants

**N. Compliance with the code and rules of Luxembourg Stock Exchange**

The Global Depository Receipts (GDR) issued by RNRL which have been vested into the Company pursuant to the Composite Scheme of Arrangement approved by the Jurisdictional High Court on October 15, 2010, have been 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.

**O. 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	Names of Directors
Promoter, Non-Executive and Non-Independent Director	Shri Anil Dhirubhai Ambani, Chairman
Independent Directors	Shri J. L. Bajaj Dr. Yogendra Narain
Non-Executive and Non-Independent Director	Dr. V. K. Chaturvedi

Notes:

- a. None of the Director is related to any other director.
- b. None of the Director has any business relationship with the Company.
- c. None of the Director 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. 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 a minimum of four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following 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 five meetings during FY 2012-13 on the following dates:

May 24, 2012, August 14, 2012, November 5, 2012, January 25, 2013 and March 23, 2013.

The maximum time gap between any two meetings was 82 days and the minimum gap was 56 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 '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 financial year 2012-13 and the last Annual General Meeting (AGM) held on September 4, 2012, 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, 2013 are as under:

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Name of Director	Number of Board Meetings attended during the financial year	Attendance at the Last AGM held on 04-09-2012	No. of Directorships (including RPower)	Committee(s) position (including RPower)	
				Member	Chairman
Shri Anil Dhirubhai Ambani	5 out of 5	Present	8	1	None
Shri J. L. Bajaj	5 out of 5	Present	6	3	2
Dr. Yogendra Narain	5 out of 5	present	2	2	1
Dr. V. K. Chaturvedi	5 out of 5	Present	2	3	None

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, 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 have 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 is furnished hereunder:

#### Shri Anil D. Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil D. Ambani, 54, 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 and 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.
- Executive Board, Indian School of Business (ISB), Hyderabad.

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.

As on March 31, 2013, Shri Anil D. Ambani held 4,65,792 equity shares in the Company including 1,000 shares held jointly with AAA Project Ventures Private Limited.

**Shri J. L. Bajaj**, 74, 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 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, Power Transmission Corporation of Uttarakhand Limited and UJVN Limited. He is also the Chairman of Rosa Power Supply Company Limited, as a nominee of Reliance Power Limited.

He is a Member of audit committee of IL&FS Trust Company Limited, Power Transmission Corporation of Uttarakhand Limited and Uttarakhand Power Corporation Limited and Chairman of Audit committee as well as Shareholders/Investors Grievances Committee of the Company. He is also chairman of the Audit Committee of Rosa Power Supply

Corporate Governance Report

Company Limited and UJVN Limited. Shri Bajaj holds 27 shares of the Company as of March 31, 2013.

**Dr. Yogendra Narain**, 70, 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 the Audit Committee, 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, He is also Chairman of Sasan Power Limited as a nominee of Reliance Power Limited. He is also the Chairman of the Audit Committee in the said Company. Dr Narain does not hold any shares in the Company as of March 31, 2013.

**Dr. V. K. Chaturvedi**, 70, 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 47 years of experience in relation to design, construction, commissioning and operation of nuclear power plants. He was conferred the 'Padma Shri', one of India's highest civilian awards in the year 2001. He is also a recipient of number of other prizes and awards.

He is presently a Member of the Audit Committee and the Shareholders / Investors Grievances Committee of the Company and Chairman of the Nomination / Remuneration Committee. He is also a Director in Reliance Infrastructure Limited and a Member of the said Company's Shareholders / Investors Grievances Committee.

Dr. Chaturvedi does not hold any shares in the Company as of March 31, 2013.

**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 2012-13, the Audit Committee

consisted of Shri J. L. Bajaj, Dr. Yogendra Narain and Dr. V. K. Chaturvedi. 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.

# Reliance Power Limited

## Corporate Governance Report

- viii. Reviewing the adequacy of internal audit function, 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, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xiii. To review the functioning of the Whistle Blower mechanism.
- xiv. 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.
- xv. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xvi. To review financial statements of Subsidiary companies, in particular, its Investments.
- 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 2012-13

The Audit Committee held its meetings on May 24, 2012, August 14, 2012, September 4, 2012 November 5, 2012, December 8, 2012, January 25, 2013 and February 27, 2013. The maximum gap between any two meetings was 81 days and the minimum gap was 20 days.

Members	Meetings held	Meetings attended
Shri J. L. Bajaj, Chairman	7	7
Dr. Yogendra Narain	7	7
Dr. V. K. Chaturvedi	7	6

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 annual financial statements of the Company for the year ended March 31, 2013, 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, 2013, be accepted by the Board as a true and fair statement of the financial status of the Company.
3. The audited consolidated financial statements of the Company, its subsidiaries for the year ended March 31, 2013, be accepted by the Board as a true and fair statement of the financial status.



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4. The audited abridged consolidated financial statements of the Company, its subsidiaries for the year ended March 31, 2013, 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.

The Committee met once during the year to recommend the remuneration payable to the Manager for the year 2012-13.

**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:

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

Shri Ramaswami Kalidas, Company Secretary, acts as the Secretary to the Nomination / Remuneration 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 2012-13**

(₹ in lakh)		
Name	Position	Sitting Fees
Shri Anil D. Ambani	Chairman	1.00
Shri J. L. Bajaj	Director	3.80
Dr. Yogendra Narain	Director	3.80
Dr. V. K. Chaturvedi	Director	3.40
	<b>Total</b>	<b>12.00</b>

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, Dr. Yogendra Narain and Dr. V. K. Chaturvedi as Members.

Karvy Computershare Private Limited, has been appointed 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 24, 2012, August 14, 2012, November 5, 2012 and January 25, 2013 and the maximum gap between any two meetings was 82 days and the minimum gap was 80 days.

Attendance of members at the meetings of the Shareholders / Investors Grievance Committee held during FY 2012-13:

Members	Meetings held	Meetings attended
Shri J. L. Bajaj	4	4
Dr Yogendra Narain	4	4
Dr V. K. Chaturvedi	4	4

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 comprises of the following Directors:

1. Dr. Yogendra Narain
2. Shri J. L. Bajaj
3. Dr. V. K. Chaturvedi

Dr. Yogendra Narain is the Chairman of the committee.

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

- Review of the Company's health, safety, security and the environmental policies and performance including processes to ensure compliance with applicable laws and regulations.
- Reporting to the Board periodically on health, safety, security, environment and rehabilitation issues affecting the Company.

- 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.

The Committee held two meetings during the year on August 14, 2012 and January 25, 2013. The meetings were attended by all the Members of the Committee.

### 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. Dr. Yogendra Narain, Shri J. L. Bajaj, Independent Directors and Dr. V. K. Chaturvedi, Non-executive non independent Director. Dr. Yogendra Narain is the Chairman of the Committee. The Committee did not meet physically during the year.

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

### VIII. Employee 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 Employee 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. The Options will vest at the end of one year from the date of Grant and shall be eligible for exercise up to a period of nine years from the date of Vesting under the Plan.

### IX. General Body Meetings

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

Financial Year	Date and Time	Whether Special Resolution(s) passed or not
2011-12	September 4, 2012 – 2.00 p.m.	Yes Issue of equity shares to the Qualified Institutional Buyers
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

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

### X. Postal Ballot

The Company has not conducted any Postal Ballot during the financial year 2012-13.

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

### 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](http://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, Consolidated Financial Statements, 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 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 vide General Circular 17/2011 dated April 21, 2011 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, 2013.

Corporate Governance Report

**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](mailto:reliancepower.investors@relianceada.com) for investor servicing.

**h. 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 database 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.

**i. NSE 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.

**j. BSE Corporate Compliance & Listing Centre (the "Listing Centre"):** The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre.

(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 subsidiary" within the meaning of the above expression in accordance with Clause 49 of the listing agreement. Keeping in view the above requirement, Shri J. L. Bajaj and Dr. Yogendra Narain, Independent directors have been nominated as Independent directors on the boards of Rosa Power Supply Company Limited and Sasan Power Limited respectively.

**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. The related party transactions with subsidiary companies and others are disclosed in the Notes to Accounts.

**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

**XII. Compliance with other mandatory requirements**

**1. Management Discussion and Analysis**

A Management Discussion and Analysis Report forms part of this annual report and it 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.

# Reliance Power Limited

## Corporate Governance Report

is presented to the Audit Committee and the 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](http://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 2012-13."

**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, 2013 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.

Particulars	No. of Shareholders	No. of Shares
i. Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2012	5,912	1,54,502
ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2012 - 13	59	1,588
iii. Number of shareholders to whom shares were transferred from suspense account during the year.	59	1,588
iv. Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2013	5,853	1,52,914

The voting rights on the shares outstanding in the suspense account as on March 31, 2013 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 reminders for the shares issued in the 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 have claimed the shares, after proper verification, the share certificates were dispatched to them.

The remaining 10,31,989 unclaimed shares were dematerialised and transferred into one folio under the nomenclature of "Unclaimed Suspense Account" in accordance with the requirement of the listing agreement. The details of aforesaid account is as under;

Particulars	No. of Shareholders	No. of Shares
i. Aggregate number of shareholders transferred to suspense account	90,635	10,31,989
ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2012-13	425	10,957
iii. Number of shareholders to whom shares were transferred from suspense account during the year.	425	10,957
iv. Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2013	90,210	10,21,032

Corporate Governance Report

**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 whereof 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 2012-13.

**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.

**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, 2013 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 the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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**  
Firm Regn. No: 301112 E  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. 55913  
Place : Mumbai  
Date : May 13, 2013

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

**C D Lala**  
Partner  
Membership No. 35671  
Place : Mumbai  
Date : May 13, 2013

# 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 is done by Depository Participants for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus/split/consolidation/merger, etc.

#### 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](http://www.reliancepower.co.in) under the section "Investor Information". However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the format prescribed by the Depository Participants.

#### Deal only with SEBI Registered Intermediaries

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

#### Corporate Benefits in Electronic Form

Investors holding shares in physical form should opt for corporate benefits like split, bonus, 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 communications 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 17, 2013 to Tuesday, August 27, 2013 (both days inclusive) for the purpose of AGM.

#### Annual General Meeting (AGM)

The 19th Annual General Meeting of the Members of the Company will be held on Tuesday, August 27, 2013 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 Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in) contains a separate dedicated section called 'Investor Relations'. It contains comprehensive data base of information of interest to our investors including the financial results, annual reports, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/facilities extended to our investors.

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

#### 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.

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

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

#### 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) : 1 800 4250 999

Tel no. : +91 40 4030 8000

Fax no. : +91 40 2342 0859

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

## Investor Information

### 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.

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

### Shareholding Pattern as on March 31, 2013

Category of Shareholders	As on 31.03.2013		As on 31.03.2012	
	No. of shares	%	No. of shares	%
A Shareholding of Promoter and Promoter Group				
i. Indian	210,38,44,849	75.00	225,58,96,656	80.42
ii. Foreign	-	-	-	-
<b>Total shareholding of Promoter and Promoter Group</b>	<b>210,38,44,849</b>	<b>75.00</b>	<b>225,58,96,656</b>	<b>80.42</b>
B Public Shareholding				
i. Institutions	31,97,90,692	11.40	19,03,31,073	6.79
ii. Non-Institutions	38,09,05,115	13.58	35,83,04,890	12.78
<b>Total Public Shareholding</b>	<b>70,06,95,807</b>	<b>24.98</b>	<b>54,86,35,963</b>	<b>19.56</b>
C Shares held by Custodians and against which depository receipts have been issued	5,85,810	0.02	5,93,847	0.02
<b>Grand Total (A+B+C)</b>	<b>280,51,26,466</b>	<b>100.00</b>	<b>280,51,26,466</b>	<b>100.00</b>

### Distribution of shareholding

Number of shares	Number of Shareholders as on 31.03.2013		Total shares as on 31.03.2013		Number of Shareholders as on 31.03.2012		Total shares as on 31.03.2012	
	Holders	%	Shares	%	Holders	%	Shares	%
1 - 500	4219372	98.08	204875754	7.31	44,55,814	98.43	21,07,52,493	7.52
501 - 5,000	78519	1.83	88758339	3.16	68,099	1.50	7,40,83,032	2.64
5,001 - 1,00,000	3313	0.08	48361367	1.72	2,506	0.06	3,76,68,207	1.34
1,00,001 and above	279	0.01	2463131006	87.81	252	0.01	248,26,22,734	88.50
<b>Total</b>	<b>4301483</b>	<b>100.00</b>	<b>2805126466</b>	<b>100.00</b>	<b>45,26,671</b>	<b>100.00</b>	<b>280,51,26,466</b>	<b>100.00</b>

### 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, 279,55,18,280 equity shares constituting 99.66 per cent of total equity share capital are held in dematerialized form with NSDL and CDSL as on March 31, 2013.

# Reliance Power Limited

## Investor Information

### Investors' grievances attended

Received from	Received during April to March		Redressed during April to March		Pending as on	
	2012-13	2011-12	2012-13	2011-12	31.03.2013	31.03.2012
Securities and Exchange Board of India	171	189	171	189	0	0
Stock Exchanges	26	54	26	54	0	0
NSDL/CDSL	0	6	0	6	0	0
Other (ROC)	0	11	0	11	0	0
Direct from investors	131	338	131	338	0	0
Total	328	598	328	598	0	0

### Analysis of Grievances

Particulars	Number		%	
	2012-13	2012-13	2011-12	2011-12
Non receipt of Refund Orders / Credit of shares	14	4.27	12	2.01
Non receipt of Refund Orders	153	46.65	254	42.47
Non Credit of Shares / Others	105	32.01	215	35.95
Non Credit of bonus Shares / Others	7	2.13	0	0.00
Non receipt of fractional warrants	24	7.32	97	16.22
Non receipt of Annual Report	25	7.62	20	3.34
Total	328	100.00	598	100.00

There was no complaint pending as on March 31, 2013.

#### Notes:

- The shareholder base was 43,01,483 as of March 31, 2013 and 45,26,671 as of March 31, 2012.
- Investors' queries/ grievances are normally attended within a period of three days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned. The queries and grievances received correspond to 0.008 per cent of the total number of members as of March 31, 2013.

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

#### Stock Exchange Listings

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

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



## Investor Information

### Payment of Listing Fees

Annual listing fees for the year 2013-14 (as applicable) has been paid by the Company to the Stock Exchanges.

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  
www.bourse.lu

3. Depository for GDR holders

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

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

### Stock Codes/Symbol

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

### Security Code for GDRs

	ISIN	CUSIP	Common Code
Rule 144A 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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)

Financial Year 2012 - 13	BSE			NSE		
	High ₹	Low ₹	Volume No. of shares	High ₹	Low ₹	Volume No. of shares
April '12	123.7	99.35	25649516	123.70	99.25	86632325
May '12	108.10	88.00	25652160	108.15	88.25	87399127
June '12	108.05	87.05	33720421	108.10	87.00	101647035
July '12	111.35	86.70	27425465	111.35	86.70	82310440
August '12	94.90	75.50	31939799	94.90	75.20	102617566
September '12	100.55	75.80	33751008	100.55	75.60	107810933
October '12	106.70	90.50	27962954	106.70	90.30	91320539
November '12	99.85	87.85	19008257	99.90	87.80	68572437
December '12	102.80	91.00	47283959	102.80	91.00	175349988
January '13	98.50	88.40	31980799	98.50	88.25	115933060
February '13	93.25	71.30	30353888	93.25	71.00	110223389
March '13	76.50	58.55	26348267	76.50	58.55	85214903

### 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 Carbonex, BSE Power, S&P CNX 500, CNX 200, CNX 100, S&P CNX Defty, CNX Infrastructure, CNX Energy, CNX Service and Futures and Options Trading, CNX High Beta.

### Share Price Performance in comparison with broad based indices - Sensex (BSE) and Nifty (NSE) as on March 31, 2013

Period	RPower	Sensex	Nifty
FY 2012-13	-47.35 per cent	8.23 per cent	7.31 per cent
2 years	-52.54 per cent	-3.13 per cent	-2.59 per cent
3 years	-58.83 per cent	7.46 per cent	8.26 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

### Key Financial Reporting Dates for the Year 2013-14

Unaudited Results for the First Quarter ending June 30, 2013	: On or before August 14, 2013
Unaudited Results for the Second Quarter / half year ending September 30, 2013	: On or before November 14, 2013
Unaudited Results for the Third Quarter ending December 31, 2013	: On or before February 14, 2014
Audited Results for the Financial Year 2013-14	: On or before May 30, 2014

### Depository Services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, A Wing, 4th and 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: [www.nsdl.co.in](http://www.nsdl.co.in) or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai 400 023, website: [www.cdslindia.com](http://www.cdslindia.com).

### Communication to Members

The quarterly unaudited financial results of the Company are announced within 45 days of the end of the respective quarters. 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.

### 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](mailto:reliancepower.investors@relianceada.com)

### Plant Locations

The Company's 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	600 MW Coal Power (2 x 300 MW)	Butibori, Dist. Nagpur, Maharashtra
Sasan Power Limited	3,960 MW Coal Power (6 x 660 MW)	Village : Sasan, Madhya Pradesh

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.

**Independent 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, 2013, 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, 2013 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 of even date to the Members of the Company pursuant to section 227 of the Act, in which we have expressed an unmodified audit opinion.
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 (the "Rules") read with the amendments thereto and are based on the audited financial statements for the year ended March 31, 2013, prepared in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 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, 2013 prepared in accordance with Schedule VI to the Act, covered by our attached report of even date to the Members of the Company pursuant to section 227 of the Act, in accordance with the Rules.

**Emphasis of matter**

8. We draw attention to Note 7 of the Abridged financial statements regarding accounting treatment prescribed in the Scheme of Amalgamation approved by the Honourable High Court of Bombay on April 5, 2013 (Scheme), pursuant to which a wholly owned subsidiary of the Company, Reliance Clean Energy Private Limited (RCEPL, the transferor company) has been amalgamated with the Company. According to the aforesaid Scheme, the excess arising on transfer of assets and liabilities of the transferor Company has been credited to the capital reserve (arisen pursuant to the Scheme); the Company has written off Rs. 60,001 lakhs being the amount of its cancelled investment in RCEPL in the Statement of Profit and Loss and in accordance with the Scheme has withdrawn an equivalent amount of general reserve to offset the impact in its Statement of Profit and Loss. Had the Scheme not prescribed the above accounting treatment, the withdrawal of equivalent amount of general reserve and accounting for investments as explained above would have not been done and consequently the profits would have been higher by the said amount and the general reserve larger to the same extent. There is no impact on profit before tax on accounting of this Scheme. Our opinion is not qualified in respect of this matter.

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

**Partha Ghosh**  
*Partner*  
Membership No. 55913

Place : Mumbai  
Date : May 13, 2013

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

**C. D. Lala**  
*Partner*  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

# Reliance Power Limited

## Independent Auditors' Report on financial statements

### To the Members of Reliance Power Limited

#### Report on the financial statements

1. We have audited the accompanying financial statements of Reliance Power Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's responsibility for the financial statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of matter

7. We draw attention to Note 9 of the financial statements regarding accounting treatment prescribed in the Scheme of Amalgamation approved by the Honourable High Court of Bombay on April 5, 2013 (Scheme), pursuant to which

a wholly owned subsidiary of the Company, Reliance Clean Energy Private Limited (RCEPL, the transferor company) has been amalgamated with the Company. According to the aforesaid Scheme, the excess arising on transfer of assets and liabilities of the transferor Company has been credited to the capital reserve (arisen pursuant to the Scheme); the Company has written off Rs. 60,001 lakhs being the amount of its cancelled investment in RCEPL in the Statement of Profit and Loss and in accordance with the Scheme has withdrawn an equivalent amount of general reserve to offset the impact in its Statement of Profit and Loss. Had the Scheme not prescribed the above accounting treatment, the withdrawal of equivalent amount of general reserve and accounting for investments as explained above would have not been done and consequently the profits would have been higher by the said amount and the general reserve larger to the same extent. There is no impact on profit before tax on accounting of this Scheme. Our opinion is not qualified in respect of this matter.

#### Report on other legal and regulatory requirements

8. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

9. As required by section 227(3) of the Act, we report that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- 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;
- 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;
- 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;

- On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

**Partha Ghosh**  
Partner  
Membership No. 55913

Place : Mumbai  
Date : May 13, 2013

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

**C. D. Lala**  
Partner  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

**Annexure to Independent Auditors' Report**

**Referred to in paragraph 8 of the Auditors' Report of even date to the members of Reliance Power Limited on the financial statements for the year ended March 31, 2013**

- |   |   |
|---|---|
| <p>1. (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>2. The Company does not have any inventory. Therefore, the provisions of clause 4(ii) of the said Order are not applicable to the Company.</p> <p>3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.</p> <p>(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.</p> <p>4. 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 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>5. 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>6. 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>7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.</p> <p>8. 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>9. (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 regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise 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, 2013 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,</p> | <p>wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.</p> <p>10. 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>11. 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 as at the balance sheet date.</p> <p>12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.</p> <p>14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.</p> <p>15. 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>16. 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>17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.</p> <p>18. 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.</p> <p>19. 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.</p> <p>20. 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 accounts of the financial statements, which we have verified.</p> <p>21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> |
|---|---|

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

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

**Partha Ghosh**  
*Partner*  
Membership No. 55913

**C. D. Lala**  
*Partner*  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

# Reliance Power Limited

**Abridged Balance Sheet as at March 31, 2013**  
**(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)**

Particulars	As at	As at
	March 31, 2013	March 31, 2012
	Rupees in lakhs	Rupees in lakhs
<b>I Equity and liabilities</b>		
<b>(1) Shareholders' funds</b>		
(a) Paid-up share capital – equity	280,513	280,513
(b) Reserves and surplus		
(i) Capital reserves	1,958	1,958
(ii) Capital reserves (arisen pursuant to the scheme of amalgamation)	59,995	-
(iii) Securities premium account	1,104,823	1,104,823
(iv) General reserve	9,423	34,424
(v) General reserve (arisen pursuant to various schemes)	153,194	153,194
(vi) Foreign currency monetary item translation difference account	20,999	16,050
(vii) Surplus in the Statement of Profit and Loss	51,614	35,221
	<b>1,682,519</b>	<b>1,626,183</b>
<b>(2) Non-current liabilities</b>		
Long-term provisions	304	175
	<b>304</b>	<b>175</b>
<b>(3) Current liabilities</b>		
(a) Short-term borrowings	187,778	-
(b) Trade payables	861	2,757
(c) Other current liabilities	3,228	1,698
(d) Short-term provisions	70	44
	<b>191,937</b>	<b>4,499</b>
<b>Total of (1) to (3)</b>	<b>1,874,760</b>	<b>1,630,857</b>
<b>II Assets</b>		
<b>(4) Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	8,234	8,547
(ii) Intangible assets (Original cost less depreciation/amortisation)	174	252
(iii) Capital work-in-progress	-	901
(iv) Intangible assets under development	41	321
(b) Non-current investments		
(i) Quoted [Market value Rs. Nil (Previous year: Rs. 511 Lakhs)]	-	500
(ii) Unquoted	1,465,718	943,894
(c) Long-term loans and advances	164,999	412,449
(d) Other non-current assets	14,957	16,038
	<b>1,654,123</b>	<b>1,382,902</b>
<b>(5) Current assets</b>		
(a) Current investments		
Quoted [Market value Rs.560 lakhs (Previous year: Rs. 19,495 lakhs)]	500	17,518
(b) Trade receivables	192	1,915
(c) Bank balances	55,682	20,595
(d) Short-term loans and advances	154,893	187,669
(e) Other current assets	9,370	20,258
	<b>220,637</b>	<b>247,955</b>
<b>Total of (4) to (5)</b>	<b>1,874,760</b>	<b>1,630,857</b>

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.com](http://www.reliancepower.com)

Compiled from the Audited standalone financial statements of the Company referred to in our report dated May 13, 2013.

As per our attached report of even date

**For Price Waterhouse**  
 Firm Registration No: 301112 E  
 Chartered Accountants

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

**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 : May 13, 2013

Place : Mumbai  
 Date : May 13, 2013

Place : Mumbai  
 Date : May 13, 2013

**Abridged Statement of Profit and Loss for the year ended March 31, 2013**  
**(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, 2013 Rupees in lakhs	Year ended March 31, 2012 Rupees in lakhs
<b>Income</b>		
<b>Revenue from operations:</b>		
Sale of coal rejects	-	770
Revenue from services provided	1,201	5,842
<b>Net revenue from operations</b>	<b>1,201</b>	<b>6,612</b>
<b>Other Income:</b>		
Dividend	965	8,891
Interest income	17,157	17,853
Net gain on sale / accrual of income on investments	1,288	17,546
Gain on foreign exchange fluctuations (net)	4,061	2,039
Gain on sale of assets	390	-
Other non-operating income	23	244
<b>Other Income</b>	<b>23,884</b>	<b>46,573</b>
<b>Total Income</b>	<b>25,085</b>	<b>53,185</b>
<b>Expenditure</b>		
Purchase of coal rejects	-	689
Fuel handling and service charges	-	3,847
Employee benefits expense	4,763	3,865
Finance costs	2,206	6,034
Depreciation and amortisation	314	293
Provision for diminution in value of advance to ESOS trust	3,450	-
Administration and other expenses	3,739	7,363
Exchange loss on settlement of 4.928% Convertible Bonds	-	13,588
Less: Equivalent amount withdrawn from general reserve	-	(13,588)
<b>Total Expenditure</b>	<b>14,472</b>	<b>22,091</b>
<b>Profit before exceptional items, adjustments and taxation</b>	<b>10,613</b>	<b>31,094</b>
<b>Exceptional Item</b>		
Gain on redemption of investment in subsidiary	40,725	-
<b>Profit before adjustments and taxation</b>	<b>51,338</b>	<b>31,094</b>
<b>Adjustments:</b>		
Investments in Reliance Clean Energy Private Limited (Previous year – Sasan Power Infrastructure Limited) (wholly owned subsidiaries) written-off pursuant to the scheme of amalgamation	60,001	20,005
Less: Equivalent amount withdrawn from general reserve	(60,001)	(20,005)
<b>Profit before taxation</b>	<b>51,338</b>	<b>31,094</b>
<b>Provision for taxation</b>		
Current tax	-	-
Income tax for earlier years	(55)	8
<b>Profit for the year</b>	<b>51,393</b>	<b>31,086</b>
Earnings per equity share: (Face value of Rs. 10 each)		
Basic and Diluted (Rupees)	1.83	1.11

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 13, 2013.

As per our attached report of even date

**For Price Waterhouse**  
Firm Registration No: 301112 E  
Chartered Accountants

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

**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 : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

# Reliance Power Limited

## Abridged Cash Flow Statement for the year ended March 31, 2013

	Year ended March 31, 2013 Rupees in lakhs	Year ended March 31, 2012 Rupees in lakhs
Cash flows used in operating activities	(4,700)	(11,740)
Cash flows from / (used in) investing activities	(1,45,908)	1,12,434
Cash flows (used) / from financing activities	1,85,769	(1,78,592)
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>35,161</b>	<b>(77,898)</b>
<b>Opening Balance of cash and cash equivalents</b>		
- Balance in current account	4,876	913
- Balance in fixed deposit	15,000	96,855
<b>Cash and cash equivalents acquired:</b>		
- Pursuant to the scheme of merger with Reliance Clean Energy Private Limited	1	-
- Pursuant to the scheme of merger with Sasan Power Infrastructure Limited	-	6
<b>Closing balance of cash and cash equivalents</b>		
- Balance in current account	4,290	4,876
- Remittance in transit	748	-
- Balance in fixed deposit	50,000	15,000

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 13, 2013.

As per our attached report of even date

**For Price Waterhouse**

Firm Registration No: 301112 E  
Chartered Accountants

**For Chaturvedi & Shah**

Firm Registration No: 101720 W  
Chartered Accountants

**Partha Ghosh**

Partner  
Membership No. 55913

**C. D. Lala**

Partner  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

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

**Anil D. Ambani** Chairman

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**Dr. Yogendra Narain**  
**Dr. V. K. Chaturvedi** } Directors

**J. P. Chalasani** Chief Executive Officer

**Ramaswami Kalidas** Company Secretary and Manager

Place : Mumbai  
Date : May 13, 2013



Notes to the Abridged financial statements for the year ended March 31, 2013

**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 the 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, 2013 approved by the Board of Directors at their meeting held on May 13, 2013.

**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/materialised.

**(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/attribution 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

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

### (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 assets, 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. During the year pursuant to announcement of Institute of Chartered Accountants of India the "Foreign currency monetary item translation difference account" has been disclosed under the head Reserves and surplus.
- (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 established 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 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.

### (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.

Notes to the Abridged financial statements for the year ended March 31, 2013

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 year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all years 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(q) **Commercial papers**

Commercial papers are recognised as a liability at the face value at the time of issuance of instrument. The discount is amortised as an interest cost over the period of commercial paper at the rate implicit in the transaction.

4) **(Note 4 of notes to financial statements)**

(a) **Contingent liabilities**

- Counter guarantees / Bank guarantees issued on behalf of subsidiary companies aggregating to Rs. 240,355 lakhs (Previous year Rs. 251,225 lakhs).
- Refer note 12 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. 136 lakhs (Previous year Rs. 174 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, 2013 is given below:

Particulars	Rupees in lakhs	
	As at March 31, 2013	As at March 31, 2012
<b>Proceeds from IPO</b>	<b>1,156,320</b>	1,156,320
<b>Utilisation</b>		
<b>Funding subsidiaries to part finance the construction and development costs of following projects</b>		
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 Chitranqi, 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	<b>1,144,462</b>	1,093,929
<b>Share issue expenses</b>	<b>11,858</b>	11,858
<b>Total utilised amount</b>	<b>1,156,320</b>	1,105,787
<b>Unutilised amount (designated for general corporate purposes)</b>	-	50,533
<b>Break up of unutilised amount</b>		
Investments in liquid and fixed maturity funds (including held by subsidiaries)	-	33,280
Bank balance in fixed deposits and current account (including subsidiaries)	-	16,953
Deposit with Bombay Stock Exchange Limited	-	300
Total	-	50,533

The deposit of Rs. 300 lakhs placed by the Company with Bombay Stock Exchange, hitherto shown as unutilised funds has been considered as funded from promoter contribution or from internal accruals in the current year and consequently the amount of Rs. 300 lakhs is considered as utilisation from IPO in various projects during the year.

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

### 6) (Note 8 of notes to financial statements)

#### General reserve (arisen pursuant to various schemes):

- a) 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.
- b) 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 1, 2011.
- c) The General reserve of Rs. 22,984 lakhs had arisen pursuant to the scheme of amalgamation with Erstwhile Sasan Power Infrastructure Limited, sanctioned by the Hon'ble High Court of Bombay, vide order dated December 23, 2011. The scheme was effective from September 1, 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)

#### Scheme of amalgamation between Company and Reliance Clean Energy Private Limited

Reliance Clean Energy Private Limited (RCEPL), 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 January 1, 2013, 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 April 5, 2013 which was filed with the Registrar of Companies on April 20, 2013.

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 for accounting of Schemes as per the "Pooling of Interest Method" as given under Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided.

Hence, in accordance with the Scheme:

- a) The Company has taken over all the assets aggregating to Rs. 60,000 lakhs and liabilities aggregating to Rs. 5 lakhs at their respective book values. The difference aggregating to Rs. 59,995 lakhs being the excess arising on transfer of assets and liabilities has been treated as capital 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.
- c) As a consequence of and as per the Scheme the investment of Rs. 60,001 lakhs of the Company in 6,010,000 equity shares of RCEPL has been cancelled and in accordance with the Scheme the consequential write off has been made in the Statement of Profit and Loss. As permitted by the Scheme a corresponding amount of Rs. 60,001 lakhs has been withdrawn from the general reserve so that there is no impact on the profit for the year.

Had the Scheme not prescribed the above accounting treatments and the Company followed the accounting treatment prescribed under AS 14, there would have not been any capital reserve (arisen pursuant to the scheme) and general reserve would have been higher by Rs. 59,995 lakhs.

### 8) (Note 10 of notes to financial statements)

#### Employee Stock Option Scheme (ESOS)

Pursuant to the approval accorded by the Shareholders on September 30, 2007 under Section 81(1A) of the Companies Act, 1956, the Company has administered and implemented Employee Stock Option Scheme (ESOS) in terms of the Securities and Exchange Board of India (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 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 3.10 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.

Notes to the Abridged financial statements for the year ended March 31, 2013

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
	<b>2012-13</b>	2011-12
Opening balance of options	<b>8,500,000</b>	8,500,000
Options granted during the year	-	-
Vested during the year	-	8,500,000
Exercised during the year	-	-
Closing balance of options	<b>8,500,000</b>	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. Nil (Previous year: Rs. 434 lakhs) and Earnings per share (Basic and diluted) for the previous year would have been Rs. 1.09.

**9) (Note 11 of notes to financial statements)**

**Status of Dadri Project:**

- a) The Company proposed 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.
- 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 Company as a matter of prudence, has written off the Asset under construction amounting to Rs. 901 lakhs (Previous year: Incidental expenditure of Rs. 2,778 Lakhs) in the Statement of Profit and Loss.

**10) (Note 12 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 Private Limited (RCRPL), a wholly owned subsidiary of the Company. In view of this new regulation, RCRPL cannot supply coal at the already agreed price, because of which an element of uncertainty has arisen in the fuel supply for the CAPL project, 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.

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 have also issued a notice for termination of

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

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 issued by the holding company on behalf of CAPL).

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 prohibited the Procurers from taking any coercive steps against the Company. The single judge of the Delhi High Court vide order dated July 2, 2012 dismissed the petition and the appeal filed by CAPL against the said order is pending before the Division Bench of the Delhi High Court and stands included in the regular hearing list. The interim protection against encashing bank guarantees continues to be available.

CAPL has filed a petition before the Central Electricity Regulatory Commission without prejudice to the proceedings pending before the Delhi High Court and the arbitration process already initiated. Hearing on admissibility of the petition before the Central Electricity Regulatory Commission was held in the month of March 2013 and the outcome is awaited

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

### 11) (Note 13 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:

	Year ended March 31, 2013	Year ended March 31, 2012
(a) Contribution to provident fund	169	135
(b) Contribution to employees' superannuation fund	28	26
(c) Contribution to employees' pension scheme 1995	5	6

##### 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:

	2012-2013		2011-2012	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate (per annum)	8.00%	8.00%	8.50%	8.50%
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	9.18		9.43	

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**Notes to the Abridged financial statements for the year ended March 31, 2013**

Particulars	Rupees in lakhs			
	Gratuity		Leave encashment	
	2012-2013	2011-2012	2012-2013	2011-2012
<b>(i) Changes in present value of obligation</b>				
Opening balance of present value of obligation	440	376	219	333
Liability on transfer of employees within the group (Net)	24	6	8	32
Interest cost	45	36	24	41
Current service cost	104	102	81	186
Actuarial (gains)/loss	(37)	(80)	72	(367)
Benefits paid	-	-	(51)	(6)
Closing balance of present value of obligation	576	440	353	219
<b>(ii) Changes in fair value of plan assets</b>				
Opening balance of present value of plan assets	506	388	-	-
Expected return on plan assets	42	32	-	-
Employer's contributions	2	80	51	6
Actuarial gains on plan assets	5	6	-	-
Benefits paid	-	-	(51)	(6)
Closing balance of fair value of plan assets	555	506	-	-
<b>(iii) Percentage of each category of plan assets to total fair value of plan assets</b>				
Administered by Life Insurance Corporation of India	100%	100%	-	-
<b>(iv) Reconciliation of present value of defined benefit obligations and the fair value of assets</b>				
Closing balance of present value of obligation	576	440	353	219
Closing balance of fair value of plan assets	555	506	-	-
Funded (asset) / liability recognised in the Balance Sheet*	21	(66)	-	-
Unfunded (asset) / liability recognised in the Balance Sheet#	-	-	353	219
<b>(v) Amount recognised in the Balance Sheet</b>				
Closing balance of present value of obligation	576	440	353	219
Closing balance of fair value of plan assets	555	506	-	-
Funded (asset) / liability recognised in the Balance Sheet*	21	(66)	-	-
Unfunded (asset) / liability recognised in the Balance Sheet#	-	-	353	219
<b>(vi) Expenses recognised in the Statement of Profit and Loss</b>				
Current service cost	104	102	81	186
Interest cost	45	36	24	41
Expected return on plan assets	(42)	(32)	-	-
Net actuarial (gain) / loss	(42)	(86)	72	(367)
Total expenses recognised during the year	65	20	177	-
Excess provision written back	-	-	-	(140)
<b>(vii) Actuarial (gain) / loss on obligation</b>				
Net actuarial (gain) / loss due to experience	(69)	(76)	61	(363)
Net actuarial (gain) / loss due to change in assumption	27	(10)	11	(4)
	(42)	(86)	72	(367)
<b>(viii) Expected Employers' contribution for the next year</b>	100	100	-	-

\* Current year figure grouped under Note no 3.3 under Provision for employee benefits (Previous year under Note no. 3.14 Advance recoverable in cash or in kind)

# Grouped under Note no 3.3 and 3.7 under Provision for leave encashment.

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

The Company has seconded certain employees to the subsidiaries. As per the terms of the secondment, liability towards Salaries, Provident fund and leave encashment will be provided and paid by the respective subsidiaries and gratuity will be paid / provided by the Company. Accordingly, provision for gratuity as disclosed includes cost of employees seconded as well.

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

Particulars	Rupees in Lakhs									
	2012-2013		2011-2012		2010-2011		2009-2010		2008-2009	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
(i) Present value of the defined benefit obligation	576	352	440	219	376	333	221	208	141	130
Fair value of the plan assets	555	-	506	-	388	-	274	-	174	-
(Surplus)/Deficit in the plan	21	-	(66)	-	(12)	-	(53)	-	(33)	-
(ii) Experience adjustments										
On plan liabilities	(64)	61	(70)	(363)	54	6	-	(49)	21	57
On plan assets	5	-	6	-	(4)	-	3	-	-	-
Total experience adjustments	(69)	61	(76)	(363)	58	6	3	(49)	21	57

### 12) (Note 14 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 "unallocable".

**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, 2013				Year ended March 31, 2012			
	Power Generation	Others	Unallocable	Total	Power Generation	Others	Unallocable	Total
<b>Revenue</b>								
External revenue	-	1,201	-	1,201	-	6,612	-	6,612
<b>Total revenue</b>	-	<b>1,201</b>	-	<b>1,201</b>	-	<b>6,612</b>	-	<b>6,612</b>
<b>Result</b>								
Segment result	-	1,201	-	1,201	-	2,076	-	2,076
Corporate income (Net of corporate expenses)	-	-	35,186	35,186	-	-	17,199	17,199
Interest income (Net of interest and finance charges)	-	-	14,951	14,951	-	-	11,819	11,819
Profit before taxation	-	1,201	50,137	51,338	-	2,076	29,018	31,094
Taxes	-	-	(55)	(55)	-	-	8	8
<b>Profit after tax</b>	-	<b>1,201</b>	<b>50,192</b>	<b>51,393</b>	-	<b>2,076</b>	<b>29,010</b>	<b>31,086</b>
<b>Other Information</b>								
Segment assets	9,260	192	1,865,308	1,874,760	10,161	1,915	1,618,781	1,630,857
Segment liabilities	-	-	192,241	192,241	20	1,057	3,597	4,674
Capital expenditure	-	-	241	241	-	-	858	858
Depreciation	-	-	314	314	-	-	293	293
Non cash expenses other than depreciation	901	-	3,450	4,351	2,778	-	2	2,780



13) (Note 15 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. Erstwhile Sasan Power Infrastructure Limited (Erstwhile SPIL)
13. Erstwhile Maharashtra Energy Generation Infrastructure Limited (Erstwhile MEGIL) (Refer Note 15 (C) (iii) (c))
14. Amulin Hydro Power Private Limited (AHPPL)
15. Emini Hydro Power Private Limited (EHPPL)
16. Mihundon Hydro Power Private Limited (MHPPL)
17. Jharkhand Integrated Power Limited (JIPL)
18. Reliance CleanGen Limited (RCGL)
19. Rajasthan Sun Technique Energy Private Limited (RSTEPL)
20. Erstwhile Reliance Clean Energy Private Limited (Erstwhile RCEPL) (Refer note 9)
21. Dahanu Solar Power Private Limited (DSPPL)
22. Solar Generation Company (Rajasthan) Private Limited (SGCPL) (upto 03.03.2012)
23. Bharuch Power Limited (BPL)
24. Samalkot Power Limited (SMPL)
25. Reliance Prima Limited (RPrima)
26. Atos Trading Private Limited (ATPL)
27. Atos Mercantile Private Limited (AMPL)
28. Coastal Andhra Power Infrastructure Limited (CAPIL)
29. Reliance Power Netherlands BV (RPN)
30. PT Heramba Coal Resources (PTH)
31. PT Avaneesh Coal Resources (PTA)
32. Reliance Natural Resources Limited (RNRL)
33. Erstwhile Reliance Fuel Resources Limited (Erstwhile RFRL) (Refer Note 15 (C) (iii) (c))
34. Reliance Natural Resources (Singapore) Pte Limited (RNRL- Singapore)
35. Reliance Renewable Power Private Limited (RRPPL) (upto 03.03.2012)
36. Reliance Biomass Power Private Limited (RBPPL) (upto 03.03.2012)
37. Reliance Solar Resources Power Private Limited (RSRPPL)
38. Reliance Clean Power Private Limited (RCPPL)
39. Reliance Tidal Power Private Limited (RTPPL) (upto 03.03.2012)
40. Reliance Geothermal Power Private Limited (RGTPPL) (upto 03.03.2012)
41. Reliance Wind Power Private Limited (RWPPL)
42. Reliance Green Power Private Limited (RGPPPL) (upto 03.03.2012 and w.e.f. 11.08.2012)
43. PT Sumukha Coal Services (PTS)
44. PT Brayan Bintang Tiga Energi (BBE)
45. PT Sriwijaya Bintang Tiga Energi (SBE)
46. Shangling Hydro Power Private Limited (SPPL)
47. Sumte Kothang Hydro Power Private Limited (SKPL)
48. Teling Hydro Power Private Limited (TPPL)
49. Lara Sumta Hydro Power Private Limited (LHPPL)
50. Purthi Hydro Power Private Limited (PHPPL)

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

Companies

Reliance Infrastructure Limited (R Infra)

AAA Project Ventures Private Limited (APVPL) (upto December 19, 2012)

Individual

Shri Anil D Ambani

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

### (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 Ramaswami Kalidas (Manager) (w.e.f. May 27, 2011)
  3. Shri Paresh Rathod (upto 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	
	2012-2013	2011-2012
<b>(i) Transactions during the year:</b>		
<b>Operating income</b>		
Fuel handling and service charges		
- R Infra	171	5,827
- BKPL	-	33
<b>Operating expenditure</b>		
Fuel handling and service charges		
- BKPL	-	17
Purchase of Coal rejects		
- R Infra	-	724
<b>Interest on advance for proposed debentures</b>		
- R Infra	612	-
<b>Professional charges received towards support/ shared services (including applicable taxes)</b>		
- CAPL	56	110
- JIPL	112	110
- KPPL	22	22
- RPSCCL	112	110
- SHPPL	22	22
- SPL	112	110
- THPPL	22	22
- USHPPL	22	22
- VIPL	56	55
- RSTEPL	28	-
- DSPPL	28	-
- RCPPL	562	-
<b>Dividend income on preference shares</b>		
- RNRL Singapore	748	679
<b>Reimbursement of expenses incurred on our behalf</b>		
- R Infra	27	-
<b>Reimbursement of expenses/taxes/advances paid to subsidiaries</b>		
- AHPPL	6	9
- AMPL	91	134
- ATPL	77	75
- BPL	@	8
- CAPIL	789	999
- CAPL	276	387

## Notes to the Abridged financial statements for the year ended March 31, 2013

	Rupees in lakhs	
	2012-2013	2011-2012
- CPPL	81	257
- DSPPL	70	110
- EHPPL	2	11
- JIPL	934	839
- KPPL	50	90
- Erstwhile MEGIL (Refer note 15 C (iii) (c))	@	11
- MEGL	1	@
- MHPPL	-	1
- RCRPL	159	319
- RNRL	728	944
- RCGL	1,546	1,074
- RPrima	76	126
- RPSCL	4,703	2,437
- RSTEPL	295	3,771
- RWPPPL	-	17
- SHPPL	22	53
- SMPL	377	7,959
- Erstwhile SPIL	-	@
- SPL	3,747	10,280
- THPPL	54	110
- USHPPL	3	26
- VIPL	346	2,071
- RCPPL	2,164	79
- LHPPL	1	5
- PHPPL	1	8
- SKPL	1	8
- SPPL	1	5
- TPPL	1	6
- Erstwhile RFRL (Refer note 15 C (iii) (c))	-	5
- Erstwhile RCEPL (Refer note 9 above)	5	-
- RGPPL	8	-
 <b>Inter corporate deposit received from subsidiaries</b>		
- JIPL	10,000	11,000
- CPPL	758	-
- MEGL	139	-
- RPSCL	221,400	-
- SPL	6,700	-
- SHPPL	939	-
- THPPL	1,737	-
- VIPL	24,495	-
 <b>Refund of inter corporate deposit received from subsidiaries</b>		
- JIPL	3,400	11,000
- RPSCL	193,924	-
- RSTEPL	-	21,500
- SHPPL	804	-
- SPL	6,700	-
- THPPL	1,737	-
- VIPL	13,025	-
 <b>Inter corporate deposit given to subsidiaries</b>		
- RPSCL	-	40,100
- SPL	-	9,500

@ 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, 2013

	Rupees in lakhs	
	2012-2013	2011-2012
- Erstwhile SPIL	-	4,995
- MEGL	5	-
- DSPPL	6,975	-
- RCGL	68,100	-
<b>Refund of inter corporate deposit given to subsidiaries</b>		
- CAPIL	1,350	15,303
- DSPPL	5,037	-
- MEGL	5	-
- Erstwhile MEGIL	2,586	4,994
- RCGL	66,100	-
- RPSCL	8,537	57,415
- SPL	-	9,500
- SMPL	-	82,223
- Erstwhile SPIL	-	6,200
- JIPL	-	89,000
<b>Advance received towards sale of investment</b>		
- RPSCL	42,424	-
<b>Advance received towards issue of non convertible redeemable debentures</b>		
- R Infra (through CPPL)	120,000	-
<b>Insurance charges</b>		
- RGICL	29	33
<b>Rent / support services / others</b>		
- RIPL	308	200
- RCL	1	2
<b>Investment in subsidiaries</b>		
Equity Shares*		
- SPPL	-	1
- LHPPL	-	1
- PHPPL	-	1
- SKPL	-	1
- TPPL	-	1
- Erstwhile RCEPL (Refer note 9 above)	-	1
- CAPL	100	-
*Excludes disclosure of allotment of equity shares out of share application money given which has been separately disclosed.		
<b>Purchase of shares</b>		
- Erstwhile MEGIL (7.5% Preference shares of SHPPL)	-	889
- CAPIL (7.5% Preference shares of MEGL)	-	1,345
<b>Sale of shares</b> (Refer note 3.9.1 and 3.9.2):		
- RPSCL (7.5% Preference shares of VIPL)	38,774	-
- Erstwhile MEGIL (7.5% Preference shares of THPPL)	733	-
- Erstwhile MEGIL (7.5% Preference shares of SHPPL)	680	-
- Erstwhile RFRL (7.5% Preference shares of KPPL)	10,000	-
- Erstwhile RFRL (7.5% Preference shares of SHPPL)	1,900	-
- VIPL (Equity shares of Erstwhile RFRL)	100	-
- RPSCL (Equity shares of VIPL)	3,650	-
- DSPPL (Equity shares of Erstwhile MEGIL)	50	-
- RRPPL (Equity shares of SGCPPL)	-	@
- RBPPL (Equity shares of SGCPPL)	-	@
- RGPPL (Equity shares of SGCPPL)	-	@
@ Amount is below the rounding off norm adopted by the Company		

**Notes to the Abridged financial statements for the year ended March 31, 2013**

	Rupees in lakhs	
	2012-2013	2011-2012
<b>Redemption of preference shares</b>		
- CAPL (7.5% Preference shares)	98,500	-
<b>Investment in debentures</b>		
- CAPL	100,000	-
<b>Share application money given</b>		
- AHPPL	68	49
- AMPL	271	-
- ATPL	188	-
- CAPL	860	4,338
- CAPIL	1,257	-
- DSPPL	-	17,880
- EHPPL	29	33
- JIPL	-	899
- KPPL	652	695
- LHPPL	1,065	1,093
- MHPPL	2	-
- CPPL	599	2,989
- PHPPL	3,019	3,053
- Erstwhile RCEPL (Refer note 9 above)	60,000	-
- RCGL	41,444	216,434
- RCRPL	5,112	5,646
- RPrima	261	-
- RPSCL	2,000	-
- RSTEPL	16,717	1,990
- SHPPL	-	1,379
- SKPL	1,320	1,353
- SPL	204,181	34,100
- SPPL	455	488
- THPPL	112	-
- TPPL	958	994
- USHPPL	49	165
- VIPL	48,320	22,871
<b>Share application money refunded</b>		
- CPPL	599	-
- CAPIL	991	-
- CAPL	90,120	47
- MEGL	766	-
<b>Sitting fees</b>		
- Shri Anil D Ambani	1	1
<b>Remuneration to key management personnel</b>		
- Shri J P Chalasani	327	327
- Shri Ramaswami Kalidas	49	36
- Shri Paresh Rathod	-	2
<b>Contingent Liabilities</b>		
<b>Counter guarantee/Bank guarantees issued</b>		
- JIPL	-	5
- VIPL	-	8,310
- CAPIL	-	106
- ATPL	-	34
- SPL	966	-
- RSTEPL	-	1,000
- RGPPPL	3,000	-
- DSPPL	-	12,592
- SMPL	1,367	12,410
- THPPL	1	70

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

	Rupees in lakhs	
	2012-2013	2011-2012
<b>(ii) Closing Balance :</b>		
<b>Investment in subsidiaries</b>		
<b>Equity shares</b>		
- AHPPL	3,833	3,833
- AMPL	31	31
- ATPL	401	401
- CAPIL	1,534	1,534
- CAPL	5,100	5,000
- CPPL	1	1
- DSPPL	8,941	8,941
- EHPPL	3,547	3,547
- JIPL	5	5
- KPPL	2,236	2,236
- Erstwhile MEGIL (Refer note 15 C (iii)(c))	-	50
- MEGL	8	5
- MHPPL	2,404	2,404
- RCRPL	16,849	1
- Erstwhile RFRL (Refer note 15 C (iii)(c))	-	100
- RNRL (Singapore)	42	42
- RNRL	5	5
- RCGL	115,004	5
- RPrima	5	5
- RPSCL	114,740	114,740
- RSTEPL	22,001	22,001
- SHPPL	2,491	2,491
- SPL	281,772	179,682
- THPPL	114	1
- USHPPL	1	1
- VIPL	8,101	5
- SPPL	489	489
- TPPL	995	995
- SKPL	1,354	1,354
- LHPPL	1,094	1,094
- PHPPL	3,054	3,054
- Erstwhile RCEPL (Refer note 9 above)	-	1
- SMPL	60,000	-
<b>Preference shares</b>		
- CAPL (Refer note 23)	-	57,775
- CPPL	5,380	5,380
- JIPL	17,784	17,784
- RNRL (Singapore)	149,516	140,629
- RPSCL	27,683	27,683
- SHPPL	8,446	10,889
- SPL	281,773	179,682
- THPPL	-	733
- KPPL	752	10,000
- MEGL	1,345	1,345
- DSPPL	8,940	8,940
- RCGL	129,000	129,000
- AHPPL	68	-
- EHPPL	29	-
- LHPPL	1,065	-
- MHPPL	2	-
- PHPPL	3,019	-
- RSTEPL	3,607	-

## Notes to the Abridged financial statements for the year ended March 31, 2013

	Rupees in lakhs	
	2012-2013	2011-2012
- SPPL	455	-
- SKPL	1,320	-
- TPPL	958	-
- VIPL	68,424	-
<b>Debentures</b>		
- CAPL	100,000	-
<b>Loans and advances*</b>		
- AHPPL	-	1
- AMPL	271	159
- ATPL	188	110
- BPL	-	26
- CAPIL	266	1,902
- CAPL	100	89,322
- CPPL	127,168	127,228
- DSPPL	1,938	67
- EHPPL	-	1
- JIPL	999	1,179
- KPPL	-	101
- Erstwhile MEGIL (Refer Note 15 C(iii)(c))	-	2,586
- MEGL	-	766
- MHPPL	-	1
- RCRPL	-	11,736
- RNRL	2,123	1,271
- RPrima	261	159
- RPSCL	2,000	8,787
- RSTEPL	15,190	2,062
- RWPPL	-	1,022
- SHPPL	-	1
- SMPL	1	6,783
- SPL	22	459
- THPPL	-	476
- USHPPL	1,667	1,618
- VIPL	-	70,384
- RCPPL	-	79
- LHPPL	-	5
- PHPPL	-	8
- RCGL	15,876	88,504
- SKPL	-	8
- SPPL	-	5
- TPPL	-	6
<b>Unsecured loan</b>		
- JIPL	6,600	-
- MEGL	139	-
- RPSCL	27,476	-
- SHPPL	135	-
- VIPL	11,470	-
- CPPL	758	-
<b>Short term borrowings</b>		
- R Infra	120,000	-
<b>Current liabilities</b>		
- R Infra	679	-
<b>Trade payables</b>		
- R Infra	-	248
- RIIPPL	631	569

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

	Rupees in lakhs	
	2012-2013	2011-2012
<b>Trade receivables</b>		
- R Infra	192	1,664
- BKPL	-	3
<b>Other current assets</b>		
- RNRL (Singapore)	748	2,109
<b>Contingent Liabilities (closing balances)</b>		
<b>Counter guarantees / Bank guarantees issued</b>		
- SPL	57,273	60,360
- CAPL	47,060	47,060
- JIPL	80,821	80,821
- VIPL	8,559	16,733
- CAPIL	65	260
- ATPL	3	188
- RPrima	-	84
- CPPL	11,508	11,508
- RSTEPL	11,471	12,471
- RPN (USD 15 Million)^	8,157	7,673
- DSPPL	-	1,003
- MEGL	-	500
- SMPL	12,367	12,410
- THPPL	71	70
- RGPPL	3,000	-

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

^ Increase during the year is due to revaluation of foreign currency.

### (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) 100% of equity shares of Sasan Power Limited.
    - ii) 0.05% of equity shares of Coastal Andhra Power Limited.
    - iii) 100% of equity shares of Dahanu Solar Power Private Limited.
    - iv) 100% of preference shares of Dahanu Solar Power Private Limited.
    - v) 100% of preference shares of Sasan Power Limited.
    - vi) 100% of equity shares of Rajasthan Sun Technique Energy 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, Dahanu Solar Power Private Limited, Reliance Clean Power Private Limited and Rajasthan Sun Technique Energy Private Limited.
  - c) During the year pursuant to the scheme of amalgamation approved by the Bombay High Court, RFRL has been amalgamated with VIPL and MEGIL has been amalgamated with DSPPL.
  - d) During the previous 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.
  - e) During the year, Reliance Clean Energy Private Limited has been amalgamated with the Company, pursuant to the scheme of amalgamation approved by the High Court of the Bombay. (Refer note 9 above for transactions pursuant to the scheme).
- The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.



**Notes to the Abridged financial statements for the year ended March 31, 2013**
**14) (Note 16 of notes to financial statements)**
**Disclosure of loans and advances to subsidiaries pursuant to Clause 32 of the listing agreement:**

Rupees in Lakhs

Name of Subsidiaries	Amount outstanding* As at		Maximum amount outstanding during the year	
	March 31, 2013	March 31, 2012	2012-2013	2011-2012
Amulin Hydro Power Private Limited	-	1	69	3,833
Atos Mercantile Private Limited	271	159	353	159
Atos Trading Private Limited	188	110	242	110
Bharuch Power Limited	-	26	52	31
Chitrangi Power Private Limited	127,168	127,228	127,770	127,228
Coastal Andhra Power Infrastructure Limited	266	1,902	2,899	17,795
Coastal Andhra Power Limited	100	89,322	110,354	92,098
Dahanu Solar Power Private Limited	1,938	67	4,050	10,390
Emini Hydro Power Private Limited	-	1	29	3,547
Jharkhand Integrated Power Limited	999	1,179	1,670	89,109
Kalai Power Private Limited	-	101	753	2,338
Erstwhile Maharashtra Energy Generation Infrastructure Limited	-	2,586	2,586	8,063
Maharashtra Energy Generation Limited	-	766	767	766
Mihundon Hydro Power Private Limited	-	1	3	2,404
Rajasthan Sun Technique Energy Private Limited	15,190	2,062	15,197	2,074
Reliance CleanGen Limited	15,876	88,504	190,832	96,273
Reliance Coal Resources Private Limited	-	11,736	16,849	11,736
Reliance Natural Resources Limited	2,123	1,271	2,123	3,922
Reliance Prima Limited	261	159	261	159
Reliance Wind Power Private Limited	-	1,022	1,022	1,022
Rosa Power Supply Company Limited	2,000	8,787	102,702	141,937
Samalkot Power Limited	1	6,783	6,818	82,223
Erstwhile Sasan Power Infrastructure Limited	-	-	-	27,328
Sasan Power Limited	22	459	187,977	34,274
Siyom Hydro Power Private Limited	-	1	2	2,491
Tato Hydro Power Private Limited	-	476	478	937
Urthing Sobla Hydro Power Private Limited	1,667	1,618	1,672	1,618
Vidarbha Industries Power Limited	-	70,384	84,678	71,525
Lara Sumta Hydro Power Private Limited	-	5	1,066	1,098
Purthi Hydro Power Private Limited	-	8	3,026	3,061
Sumte Kothang Hydro Power Private Limited	-	8	1,326	1,361
Shangling Hydro Power Private Limited	-	5	457	493
Teling Hydro Power Private Limited	-	6	963	1,000
Erstwhile Reliance Fuel Resources Limited	-	-	-	5
Reliance Clean Power Private Limited	-	79	2,423	79
Erstwhile Reliance Clean Energy Private Limited	-	-	45,005	-
Reliance Green Power Private Limited	-	-	17	-

\*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.

# Reliance Power Limited

## Notes to the Abridged financial statements for the year ended March 31, 2013

### 15) (Note 17 of notes to financial statements)

#### Earnings per share:

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
<b>Profit available to equity shareholders</b>		
Profit after tax (A) (Rupees in lakhs)	51,393	31,086
<b>Number of equity shares</b>		
Weighted average number of equity shares outstanding (Basic) (B)	2,805,126,466	2,805,126,466
Basic and diluted earnings per share (A / B) (Rs.)	1.83	1.11
Nominal value of an equity share (Rs.)	10.00	10.00

### 16) (Note 18 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, 2013		Year ended March 31, 2012	
	USD	Rupees in Lakhs	USD	Rupees in Lakhs
<b>Amount receivable in foreign currency:</b>				
Investment in preference shares	274,900,000	149,516	274,900,000	140,629
Dividend receivable on preference shares	1,374,500	748	4,123,500	2,109
Remittance in transit	1,374,500	748	-	-

### 17) (Note 21 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, 2013. 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.

### 18) (Note 22 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. 20,999 lakhs (Previous year 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.

### 19) (Note 23 of notes to financial statements)

During the year, based on the request placed by the Company, investments in 7.5% Non convertible non cumulative redeemable preference shares of Coastal Andhra Power Limited ("CAPL") (a wholly owned subsidiary) has been early redeemed as per approval of Board of Directors of the CAPL in the meeting held on December 24, 2012. The said shares were redeemed at a premium of Rs. 990 per share and profit on redemption of shares has been disclosed as an exceptional item in the Statement of Profit and loss.

### 20) (Note 24 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.

### 21) (Note 25 of notes to financial statements)

Previous year figures have been regrouped/recasted wherever considered necessary to make it comparable to current year presentation.

As per our attached report of even date

#### For Price Waterhouse

Firm Registration No: 301112 E  
Chartered Accountants

#### For Chaturvedi & Shah

Firm Registration No: 101720 W  
Chartered Accountants

#### Partha Ghosh

Partner  
Membership No. 55913

#### C. D. Lala

Partner  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

#### 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 : May 13, 2013

## Independent 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; hereinafter referred to as the "Group" (refer note 3 (II) to the attached abridged consolidated financial statements), comprise the abridged consolidated Balance Sheet as at March 31, 2013, 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, 2013 prepared by the Company's Management in accordance with the accounting principles generally accepted in India, covered by our attached report of even date to the Board of Directors of the Company, in which we have expressed an unmodified audit opinion.
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 (the "Rules"). 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, 2013 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 Of even date to the Board of Directors of the Company, in accordance with the Rules.

### Emphasis of Matter

8. We draw attention to Note 7,8 and 9 of the abridged consolidated financial statements regarding Schemes of Amalgamation/Arrangement as approved by the Honourable High Court of Bombay (Schemes) pursuant to which Reliance Clean Energy Private Limited has been amalgamated with the Company, Reliance Fuel Resources Limited has been amalgamated with Vidarbha Industries Power Limited and Maharashtra Energy Generation Infrastructure Limited has been amalgamated with Dahanu Solar Power Private Limited. Accordingly, the Group has carried out the accounting treatments as prescribed in the respective Schemes as set out in the above referred Notes. Our opinion is not qualified in this regard.

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

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

**Partha Ghosh**  
*Partner*  
Membership No. 55913

**C. D. Lala**  
*Partner*  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

# Reliance Power Limited

## Independent Auditors' Report on the Consolidated Financial Statements

### To the Board of Directors of Reliance Power Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") 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) which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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 Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors and one of the joint auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 and 10 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying 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, 2013;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

8. We draw attention to Note 7,8 and 9 of the consolidated financial statements regarding Schemes of Amalgamation/Arrangement as approved by the Honourable High Court of Bombay (Scheme) pursuant to which Reliance Clean Energy Private Limited has been amalgamated with the Company, Reliance Fuel Resources Limited has been amalgamated with Vidarbha Industries Power Limited and Maharashtra Energy Generation Infrastructure Limited has been amalgamated with Dahanu Solar Power Private Limited. Accordingly, the Group has carried out the accounting treatments as prescribed in the respective Schemes as set out in the above referred Notes. Our opinion is not qualified in this regard.

### Other Matters

9. The financial statements and other financial information of ten subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 309,467 lakhs and net assets of Rs. 302,980 lakhs as at March 31, 2013, total revenue of Rs. 300 lakhs, net loss before tax of Rs. 761 lakhs and net cash outflows amounting to

**Independent Auditors' Report on the Consolidated Financial Statements**

Rs. 657 lakhs for the year then ended have been audited by Chaturvedi & Shah on whose reports Price Waterhouse has placed reliance for the purpose of this report.

10. We did not audit the financial statements and other financial information of twenty six subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 217,578 lakhs and net assets of Rs. 197,428 lakhs as at March 31, 2013, total revenue of Rs. 10,665 lakhs, net profit before tax of Rs. 8,079 lakhs and net cash inflows amounting to Rs. 108,534 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.

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

**Partha Ghosh**  
*Partner*  
Membership No. 55913

Place : Mumbai  
Date : May 13, 2013

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

**C. D. Lala**  
*Partner*  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

# Reliance Power Limited

## Abridged Consolidated Balance Sheet as at March 31, 2013

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

Particulars	As at March 31, 2013 Rupees in lakhs	As at March 31, 2012 Rupees in lakhs
<b>I Equity and Liabilities</b>		
<b>(1) Shareholders' Funds</b>		
(a) Paid-up share capital – equity	280,513	280,513
(b) Reserves and surplus		
(i) Capital reserves	8,337	8,337
(ii) Securities premium account	1,104,823	1,104,823
(iii) General reserve	107,230	72,230
(iv) General reserve (arisen pursuant to composite scheme of arrangement)	111,957	111,957
(v) Surplus in the Statement of Profit and Loss	245,248	179,102
	<b>1,858,108</b>	<b>1,756,962</b>
<b>(2) Minority Interest</b>	150	150
<b>(3) Non-current liabilities</b>		
(a) Long-term borrowings	2,421,457	1,426,271
(b) Deferred Tax Liabilities	697	-
(c) Other Long term liabilities	291,503	386,640
(d) Long-term provisions	3,647	617
	<b>2,717,304</b>	<b>1,813,528</b>
<b>(4) Current liabilities</b>		
(a) Short-term borrowings	253,732	38,923
(b) Trade payables	23,623	15,122
(c) Other current liabilities	309,177	288,482
(d) Short-term provisions	31,292	12,727
	<b>617,824</b>	<b>355,254</b>
<b>Total of (1) to (4)</b>	<b>5,193,386</b>	<b>3,925,894</b>
<b>II Assets</b>		
<b>(5) Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	892,699	652,105
(ii) Intangible assets (Original cost less depreciation/amortisation)	4,918	5,098
(iii) Capital work-in-progress	3,029,873	2,178,252
(iv) Intangible assets under development	1,167	1,447
(b) Non-current investments		
(i) Quoted [Market value Rs. Nil (Previous year: Rs. 511 lakhs)]	-	500
(ii) Unquoted	@	@
(c) Long-term loans and advances	357,655	501,807
(d) Other non-current assets	23,667	16,781
	<b>4,309,979</b>	<b>3,355,990</b>
<b>(6) Current assets</b>		
(a) Current Investments		
(i) Quoted [Market value Rs. 560 lakhs (Previous year: Rs.19,495 lakhs)]	500	17,518
(ii) Unquoted	3,510	123,528
(b) Inventories	53,555	16,069
(c) Trade receivables	132,990	65,517
(d) Cash and bank balances	483,531	140,584
(e) Short-term loans and advances	180,365	187,011
(f) Other current assets	28,956	19,677
	<b>883,407</b>	<b>569,904</b>
<b>Total of (5) to (6)</b>	<b>5,193,386</b>	<b>3,925,894</b>

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

The notes are integral part of these abridged consolidated 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.com](http://www.reliancepower.com)

Compiled from the Audited consolidated financial statements of the Company referred to in our report dated May 13, 2013.

As per our attached report of even date.

**For Price Waterhouse**  
Firm Registration No: 301112 E  
Chartered Accountants

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

**Partha Ghosh**  
Partner  
Membership No. 55913

**C. D. Lala**  
Partner  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

**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 : May 13, 2013

## Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2013

(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, 2013 Rupees in lakhs	Year ended March 31, 2012 Rupees in lakhs
<b>Income</b>		
<b>Revenue from operations:</b>		
Sale of energy	492,488	195,839
Sale of coal rejects	-	770
Fuel handling and service charges	171	5,312
<b>Net revenue from operations</b>	<b>492,659</b>	<b>201,921</b>
<b>Other income:</b>		
Dividend	1,275	16,663
Interest income	20,705	21,589
Net gain on sale / accrual of income on investments	842	19,780
Gain on sale of fixed assets	390	-
Gain on foreign exchange fluctuations (net)	11,998	15,695
Other non-operating income	508	1,030
<b>Other income</b>	<b>35,718</b>	<b>74,757</b>
<b>Total Income</b>	<b>528,377</b>	<b>276,678</b>
<b>Expenses:</b>		
Purchase of energy	38,517	-
Purchase of coal rejects	-	689
Cost of fuel consumed	256,207	112,854
Operating expenditure	702	3,848
Employee benefits expense	8,034	5,961
Finance cost	58,533	29,762
Depreciation and amortization expenses	28,513	12,145
Generation, administration and other expenses	17,910	16,180
Exchange loss on settlement of 4.928% Convertible Bonds	-	13,588
Less: Equivalent amount withdrawn from General reserve	-	(13,588)
<b>Total Expenditure</b>	<b>408,416</b>	<b>181,439</b>
<b>Profit before taxation</b>	<b>119,961</b>	<b>95,239</b>
<b>Provision for taxation</b>		
Current tax	18,188	8,717
Deferred tax	697	-
Income tax for earlier years	-	11
Excess provision of earlier years written back	(70)	(167)
<b>Profit after tax and before Minority interest</b>	<b>101,146</b>	<b>86,678</b>
<b>Minority interest</b>	<b>-</b>	<b>-</b>
<b>Profit for the year</b>	<b>101,146</b>	<b>86,678</b>
Earnings per equity share: (Face value of Rs. 10 each)		
Basic and Diluted (Rupees)	3.61	3.09

The notes are 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 13, 2013.

As per our attached report of even date.

**For Price Waterhouse**  
Firm Registration No: 301112 E  
Chartered Accountants

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

**Partha Ghosh**  
Partner  
Membership No. 55913

**C. D. Lala**  
Partner  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

**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 : May 13, 2013

# Reliance Power Limited

## Abridged Consolidated Cash Flow Statement for the year ended March 31, 2013

	Year ended March 31, 2013 Rupees in lakhs	Year ended March 31, 2012 Rupees in lakhs
Cash flows from operating activities	70,537	16,225
Cash flows used in Investment activities	(896,744)	(646,251)
Cash flows from financing activities	1,007,560	606,210
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>181,353</b>	<b>(23,816)</b>
<b>Opening Balance of cash and cash equivalents</b>		
- 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
<b>Cash and cash equivalents acquired:</b>		
- Pursuant to scheme of amalgamation between Reliance Cleangen Limited and Western Alliance Power Limited.	-	11
<b>Closing balance of cash and cash equivalents</b>		
- Balance in current account	227,994	91,976
- Balance in fixed deposit	80,200	17,347
- Remittances in transit / cheques in hand	748	18,266

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

The notes are 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 13, 2013

As per our attached report of even date.

**For Price Waterhouse**  
Firm Registration No: 301112 E  
Chartered Accountants

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

**Partha Ghosh**  
Partner  
Membership No. 55913

**C. D. Lala**  
Partner  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

**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 : May 13, 2013



## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

### 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 is based on the annual financial statements for the year ended March 31, 2013 approved by the Board of Directors at their meeting held on May 13, 2013.

### 3. (Note 2 of the 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 an 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 and 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, 2013.

## Reliance Power Limited

### Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

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

Sr. No.	Name of Company	Country of Incorporation	Proportion (%) of shareholding Year ended March 31, 2013	Proportion (%) of shareholding Year ended March 31, 2012
1	Rosa Power Supply Company Limited (RPSCCL)	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	Erstwhile Maharashtra Energy Generation Infrastructure Limited (Erstwhile MEGIL) (Refer note 9)	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	Coastal Andhra Power Infrastructure Limited (CAPIL)	India	100	100
20	Reliance Prima Limited (RPrima)	India	100	100
21	Atos Trading Private Limited (ATPL)	India	100	100
22	Atos Mercantile Private Limited (AMPL)	India	100	100
23	Reliance Natural Resources Limited (RNRL)	India	100	100
24	Erstwhile Reliance Fuel Resources Limited (Erstwhile RFRL) (Refer note 8)	India	100	100
25	Dahanu Solar Power Private Limited (DSPPL)	India	100	100
26	Reliance Natural Resources (Singapore) Pte Limited (RNRL-Singapore)	Singapore	100	100
27	Purthi Hydro Power Private Limited (PHPPL)	India	100	100
28	Teling Hydro Power Private Limited (TPPL)	India	100	100
29	Shangling Hydro Power Private Limited (SPPL)	India	100	100
30	Lara Sumta Hydro Power Private Limited (LHPPL)	India	100	100
31	Sumte Kothang Hydro Power Private Limited (SKPL)	India	100	100
32	Erstwhile Reliance Clean Energy Private Limited (Erstwhile RCEPL) (w.e.f.14.11.2011) (Refer note 7)	India	100	100
33	Reliance Green Power Private Limited (RGPPL) (upto 03.03.2012 and w.e.f. 11.08.2012)	India	100	100
34	Erstwhile Sasan Power Infrastructure Limited (Erstwhile SPIL)	India	-	100

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

Sr. No.	Name of Company	Country of Incorporation	<b>Proportion (%) of shareholding Year ended March 31, 2013</b>	Proportion (%) of shareholding Year ended March 31, 2012
35	Solar Generation Company (Rajasthan) Private Limited (SGCPL) (upto 03.03.2012)	India	-	100
36	Reliance Tidal Power Private Limited (RTPPL) (upto 03.03.2012)	India	-	100
37	Reliance Geothermal Power Private Limited (RGTPPL) (upto 03.03.2012)	India	-	100
38	Reliance Renewable Power Private Limited (RRPPL) (upto 03.03.2012)	India	-	100
39	Reliance Biomass Power Private Limited (RBPPL) (upto 03.03.2012)	India	-	100
40	Bharuch Power Limited (BPL)	India	<b>100</b>	100
41	Samalkot Power Limited (SMPL)	India	<b>100</b>	100
42	Reliance Solar Resources Power Private Limited (RSRPPL)	India	<b>100</b>	100
43	Reliance Wind Power Private Limited (RWPPL)	India	<b>100</b>	100
44	Reliance Clean Power Private Limited (RCPPL)	India	<b>100</b>	100
45	Reliance Power Netherlands BV (RPN)	Netherlands	<b>100</b>	100
46	PT Heramba Coal Resources (PTH)	Indonesia	<b>100</b>	100
47	PT Avaneesh Coal Resources (PTA)	Indonesia	<b>100</b>	100
48	PT Brayan Bintang Tiga Energi (BBE)	Indonesia	<b>100</b>	100
49	PT Sriwijaya Bintang Tiga Energi (SBE)	Indonesia	<b>100</b>	100
50	PT Sumukha Coal Services (PTS)	Indonesia	<b>99.60</b>	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 (net of cenvat credit availed) of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use. 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, trial run expenditure, coal mine development expenses and construction stores 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. The related expenditure is capitalised on achieving commercial operations and accordingly depreciated.
- (ii) SPL is setting up an "ultra mega power plant" which will be comprised of six units each capable of generating 660 mega watt of power. On a technical evaluation, inter alia of the integrated nature of the Plant and the commercial terms of power purchase agreement with the procurers, the group has concluded that the entire power plant taken as a whole constitutes the unit of measurement and hence, under Accounting Standard - 10 "Accounting For Fixed Assets" as prescribed under Companies (Accounting Standards) Rules, 2006, will be capitalised on completion of power plant consisting of all six units. Also refer note 19 below.

Accordingly, all project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / directly attributable to construction of project, borrowing cost, coal mine development expenses, construction stores, revenues and direct operational expenses related to the units of electricity generated in the interim period, pending capitalisation, are shown under Capital Work-in-Progress.

- (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 (m) 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) Mining assets (in case of SPL):**

- (i) Overburden removal costs:

Removal of overburden and other waste material, referred to as "Stripping Activity", is necessary to extract the coal reserves in case of open pit mining operations. The stripping ratio for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

The overburden removal costs are included in Mining properties under Tangible Assets and amortised over the life of the mine on a unit of production basis based on the stripping ratio.

- (ii) Mine closure obligation:

The liability to meet the obligation of mine closure has been estimated based on the mine closure plan in the proportion of total area exploited to the total area of the mine as a whole. These costs are updated annually during the life of the mine to reflect the developments in mining activities.

The Mine closure obligation cost has been included in Mining properties under Tangible Assets and amortised over the life of the mine on a unit of production basis.

- (iii) Mine development expenditure:

Expenditure incurred on development of coal mine is grouped under Capital Work-in-Progress till the coal mine is ready for its intended use. Once the mine is ready for its intended use, such mine development expenditure is capitalised and included in Mining Properties under Tangible Assets. Mine development expenditure is amortised over the life of the mine on a unit of production basis.

**f) Intangible assets:**

- (i) Intangible assets are recognised 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 right 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.

**g) Inventories:**

Inventories are stated at lower of cost and net realisable value. In case of fuel, stores and spares, "cost" means weighted average cost. For coal stock, the measured stock is adopted and the variation between measured stock and book stock is charged to Statement of Profit and Loss / Capital Work-in-Progress.

**h) 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, read with the General Circular No. 31/2011 issued by the Ministry of Corporate Affairs dated May 31, 2011, as applicable.
  - 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.
  - In case of RSTEPL, for solar concentrated thermal assets under 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

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

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 leasehold land for coal mining, which is amortised over the period of mining rights.
- In case of SPL, freehold land acquired for coal mining is amortised over the period of mining rights, considering the same cannot be put to any other use.

(ii) Intangible assets:

Software expenses are amortised over a period of three years. In case of SPL, mining rights are amortised over the period of right.

**i) 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.

**j) 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.

**k) 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 in the Statement of Profit and Loss.

**l) 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.

**m) Foreign currency transaction:**

- (i) Foreign currency transactions are initially accounted at the exchange rates prevailing on the dates of the transaction.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Group has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:
  - Foreign exchange differences on account of depreciable assets are adjusted in the cost of depreciable assets and would be depreciated over the balance life of the assets.
  - 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.
  - An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment/settlement as defined under the respective agreement/memorandum of understanding.
- (iv) Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of transaction.
- (v) In case of forward contracts entered for hedging long term borrowings, the premium or discount, arising at the inception of a forward exchange contract is amortised as an expense/income over the life of the contract.

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

Exchange differences on such contracts are adjusted in accordance with paragraph m (iii) above in the cost of depreciable asset and would be depreciated over the balance life of the asset.

- (vi) Loss on derivative contracts, other than those covered under Accounting Standard -11 "The effects of changes in foreign exchange rates, i.e. as explained in (v) above, outstanding as at the Balance Sheet date are provided for on an overall basis by marking them to market as per the announcement by Institute of Chartered Accountants of India. Net gain, if any, arising on such contracts is not recognised.

### n) Revenue recognition:

- (i) In case of RPSCL, revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of power purchase agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL). In case where final tariff rates are yet to be approved/agreed, provisional tariff is adopted based on the principles enunciated in PPA and UPERC regulations. Further, the revenue is also accrued towards truing up of fixed charges as per the petitions filed based on the principles enunciated in the PPA and UPERC regulations.
- (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 PPA with customers.
- (iii) In case of SPL, revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved in accordance with the provisions of PPA entered into with the Procurers. The revenue accounted/accrued till the commissioning of power plant as a whole is accounted for as per the accounting policy as defined in note 2 (d) (ii) above.
- (iv) In case of VIPL, revenue from sale of energy is recognised on an accrual basis in accordance with the provisions of PPA / sale arrangements.
- (v) The surcharge on late payment/overdue sundry debtors for sale of energy is recognised when no significant uncertainty as to measurement or collectability exists.
- (vi) Income from fuel handling and service charges is recognised on the basis of services rendered as per the terms of contract.
- (vii) Revenue on trading of coal is recognised on transfer of property to the buyers for consideration.
- (viii) 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 established 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.

### o) 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.

### p) 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

Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

be recognised as compensation cost over the vesting period. The Group 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 option expected to vest, the Group revises its previous estimate and accordingly recognises / (reverses) compensation cost on employee service.

**q) 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.

**r) 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.

**s) 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.

**t) Commercial papers:**

Commercial papers are recognised as a liability at the face value at the time of issuance of instrument. The discount is amortised as an interest cost over the period of commercial paper at the rate implicit in the transaction.

**u) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**4. (a) Contingent liabilities:**

- Counter guarantees / Bank guarantees aggregating to Rs. 240,355 lakhs (Previous year: Rs. 251,225 lakhs) issued primarily to power procurers / banks / financial institutions towards construction of power plant / finance raised by the respective subsidiary.
- Refer note 12 with respect to CAPL.
- In case of SPL, claims not acknowledged as debts Rs. 51 lakhs (Previous year: Rs. 51 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. 4,878,635 lakhs (Previous year: Rs. 5,248,550 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.

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

### 5. Utilisation of initial public offer proceeds:

The utilization of Initial Public Offer (IPO) proceeds up to March 31, 2013 is given below:

Particulars	Rupees in lakhs	
	As at March 31, 2013	As at March 31, 2012
<b>Proceeds from IPO</b>	<b>1,156,320</b>	1,156,320
<b>Utilisation</b>	<b>1,144,462</b>	1,093,929
<b>Funding subsidiaries to part finance the construction and development costs of following projects</b>		
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		
<b>Share issue expenses</b>	<b>11,858</b>	11,858
<b>Total utilised amount</b>	<b>1,156,320</b>	1,105,787
<b>Unutilised amount (designated for general corporate purposes)</b>	-	50,533
<b>Break up of unutilised amount</b>		
Investments in liquid and fixed maturity funds (including held by subsidiaries)	-	33,280
Bank balance in fixed deposits and current account (including subsidiaries)	-	16,953
Deposit with Bombay Stock Exchange Limited	-	300
<b>Total</b>	-	50,533

The deposit of Rs. 300 lakhs placed by the Parent Company with Bombay Stock Exchange, hitherto shown as unutilised funds has been considered as funded from promoter contribution or from internal accruals in the current year and consequently the amount of Rs. 300 lakhs is considered as utilisation from IPO in various projects during the year.

### 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. The 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. Scheme of amalgamation between Parent Company and RCEPL:

Reliance Clean Energy Private Limited (RCEPL), 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 January 1, 2013, 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 April 5, 2013 which was filed with the Registrar of Companies on April 20, 2013.

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 for accounting of Scheme as per the "Pooling of Interest Method" as given under Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided.

Hence, in accordance with the Scheme:

- The Parent Company has taken over all the assets aggregating to Rs. 60,000 lakhs and liabilities aggregating to Rs. 5 lakhs at their respective book values. The difference aggregating to Rs. 59,995 lakhs being the excess arising on transfer of assets and liabilities has been treated as capital reserve (arising pursuant to the Scheme).
- No consideration is payable or receivable on implementation of the Scheme as the Scheme involves a wholly owned subsidiary.



**Notes to the Abridged consolidated financial statements for the year ended March 31, 2013**

- c) As a consequence of and as per the Scheme the investment of Rs. 60,001 lakhs of the Parent Company in 6,010,000 Equity Shares of RCEPL has been cancelled and in accordance with the Scheme the consequential write off has been made in the Statement of Profit and Loss. As permitted by the Scheme a corresponding amount of Rs. 60,001 lakhs has been withdrawn from the general reserve so that there is no impact on the profit for the year.

Had the Scheme not prescribed the above accounting treatments and the Parent Company followed the accounting treatment prescribed under AS 14, there would not have been any capital reserve (arisen pursuant to the Scheme) and general reserve would have been higher by Rs. 59,995 lakhs.

Since RCEPL 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.

**8. Scheme of amalgamation between VIPL and RFRL:**

Reliance Fuel Resources Limited (RFRL), a wholly owned subsidiary of VIPL, 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 VIPL pursuant to the Scheme of Amalgamation and Arrangement (Scheme), as on and from January 1, 2013, being the appointed date pursuant to the approval of Board of Directors of both the Companies and sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 15, 2013 which was filed with the Registrar of Companies on April 18, 2013.

VIPL 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 for accounting of Scheme as per the "Pooling of Interest Method" as given under Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided.

Accordingly, following accounting treatment has been done:

- a) VIPL has taken over all the assets aggregating to Rs. 11,942 lakhs and liabilities aggregating to Rs. 2 lakhs at their respective book values. The difference aggregating to Rs. 11,940 lakhs being the excess arising on transfer of assets and liabilities has been credited to capital 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.
- c) As a consequence of and as per the Scheme, the investment of Rs.12,000 lakhs of VIPL in 2,190,000 equity Shares of RFRL has been cancelled and in accordance with the Scheme the consequential write off has been made in the Statement of Profit and Loss of VIPL.
- d) To offset the said write off, as per the Scheme, VIPL was required to withdraw from its general reserve or if so decided by its Board of Directors from the Securities premium account and credit the same to its Statement of Profit and Loss. Considering there is no general reserve available with VIPL and based on the VIPL's Board of Directors decision in its meeting held on May 13, 2013 not to utilize the Securities premium account to offset the said write off, there is no credit to the Statement of Profit and Loss.

Had the Scheme not prescribed the above accounting treatments and VIPL had followed the accounting treatment prescribed under AS 14, the capital reserve (arisen pursuant to the Scheme) would have been lower by Rs.11,940 lakhs, Surplus in Statement of Profit and Loss would have been lower by Rs. 60 lakhs and investments in RFRL amounting to Rs. 12,000 lakhs would not have been written off in the Statement of Profit and Loss of VIPL.

Since the merger is between a subsidiary and step-down 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.

**9. Scheme of amalgamation between DSPPL and MEGIL:**

Maharashtra Energy Generation Infrastructure Limited (MEGIL), a wholly owned subsidiary of DSPPL, incorporated with the main object to operate, lease, install, develop, promote, manage and maintain projects in infrastructure sectors including setting up power plants etc., was amalgamated into DSPPL, pursuant to the Scheme of Amalgamation and Arrangement (Scheme), as on and from January 1, 2013, being the appointed date pursuant to the approval of Board of Directors of both the Companies and sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated April 12, 2013 which was filed with the Registrar of Companies on May 10, 2013.

DSPPL 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 for accounting of scheme as per the "Pooling of Interest Method" as given under Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided.

Accordingly, following accounting treatment has been done:

- a) DSPPL has taken over all the assets aggregating to Rs. 4,928 lakhs and liabilities aggregating to Rs. 16 lakhs at their respective book values. The difference aggregating to Rs. 4,912 lakhs being the excess arising on transfer of assets and liabilities has been credited to capital reserve (arising pursuant to the Scheme).

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

- b) No consideration is payable or receivable on implementation of the Scheme as the Scheme involves wholly owned subsidiary.
- c) As a consequence of and as per the Scheme, the investment of Rs. 4,050 lakhs of DSPPL in 900,000 Equity Shares of MEGIL has been cancelled and in accordance with the Scheme the consequential write off has been made in the Statement of Profit and Loss of DSPPL.
- d) To offset the said write off, as per the Scheme, DSPPL was required to withdraw from its general reserve or if so decided by its Board of Directors from the Securities premium account and credit the same to its Statement of Profit and Loss. Considering there is no general reserve available with DSPPL and based on the DSPPL's Board of Directors decision in its meeting held on May 13, 2013 not to utilize the Securities premium account to offset the said write off, there is no credit to the Statement of Profit and Loss.

Had the Scheme not prescribed the above accounting treatments and DSPPL had followed the accounting treatment prescribed under AS 14, the capital reserve (arisen pursuant to the Scheme) would have been lower by Rs. 4,912 lakhs, Surplus in Statement of Profit and Loss would have been higher by Rs. 862 lakhs and investments in MEGIL amounting to Rs. 4,050 lakhs would not have been written off in the Statement of Profit and Loss of DSPPL.

Since the merger is between a subsidiary and step-down 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. 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 each 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 3.14 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	<b>Rs. 140.20</b>	
Exercise price	<b>Rs. 162.00</b>	
Expected volatility	<b>41.88%</b>	
Vesting period	<b>One year</b>	
Exercise period	<b>7.25 Years</b>	
Risk free interest rate	<b>7.74%</b>	
Expected dividend	-	
Fair Value of option	<b>Rs. 50.42</b>	
	<b>2012-13</b>	2011-12
Opening balance of options	<b>8,500,000</b>	8,500,000
Options granted during the year	-	-
Vested during the year	-	8,500,000
Exercised during the year	-	-
Closing balance of options	<b>8,500,000</b>	8,500,000

**Notes to the Abridged consolidated financial statements for the year ended March 31, 2013**

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. Nil (Previous year: Rs. 434 lakhs) and Earnings per share (Basic and diluted) for the previous year would have been Rs. 3.07.

**11. Status of Dadri Project:**

- a) The Parent Company proposed 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 Asset under construction amounting to Rs. 901 lakhs (Previous year: Incidental expenditure of Rs. 2,778 lakhs) in the Statement of Profit and loss.

**12. Project status of Coastal Andhra Power Limited (CAPL):**

CAPL has been set up to develop an 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 RCRPL. In view of this new regulation, RCRPL cannot supply coal at the already agreed price, because of which an element of uncertainty has arisen in the fuel supply for the CAPL project, 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.

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 have also issued a notice for termination of PPA and have raised a demand for liquidated damages of Rs.40,000 lakhs.

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 prohibited the Procurers from taking any coercive steps against CAPL. The single judge of the Delhi High Court vide order dated July 2, 2012 dismissed the petition and the appeal filed by CAPL against the said order is pending before the Division Bench of the Delhi High Court and stands included in the regular hearing list. The interim protection against encashing bank guarantees continues to be available.

CAPL has filed a petition before the Central Electricity Regulatory Commission without prejudice to the proceedings pending before the Delhi High Court and the arbitration process already initiated. Hearing on admissibility of the petition before the Central Electricity Regulatory Commission was held in the month of March 2013 and the outcome is awaited.

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

**13. 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. 16,584 lakhs (Previous year loss of Rs. 3,847 lakhs) to the cost of tangible assets and Rs. 58,740 lakhs (Previous year loss of Rs. 35,159 lakhs) to capital work-in-progress, as the long term monetary items relate to depreciable capital asset. Pursuant to circular dated August 9, 2012 from the Ministry of Corporate Affairs, the Group has capitalised the exchange differences which earlier would have been considered as an interest cost under para 4(e) of Accounting Standard 16 on borrowing costs.

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## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

### 14. 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:

	Year ended March 31, 2013	Year ended March 31, 2012
		Rupees in lakhs
(a) Contribution to provident fund	591	414
(b) Contribution to employees' superannuation fund	71	53
(c) Contribution to employees' pension scheme 1995	98	48

#### 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 Group 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	
	2012-13	2011-12	2012-13	2011-12
Discount Rate (per annum)	8.00%	8.50%	8.00%	8.50%
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 years	3 to 17	5 to 12	-	-

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	
	2012-13	2011-12	2012-13	2011-12
<b>(i) Changes in present value of obligation</b>				
Opening balance of present value of obligation	704	518	698	473
Liability on transfer of employees (net)	-	29	1	58
Interest cost	76	54	84	61
Current service cost	231	175	351	373
Actuarial (gains) / loss	114	(72)	92	(254)
Benefits paid	-	-	(105)	(13)
Closing balance of present value of obligation	1,125	704	1,121	698

**Notes to the Abridged consolidated financial statements for the year ended March 31, 2013**

Particulars	Rupees in lakhs			
	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
<b>(ii) Changes in fair value of plan assets</b>				
Opening balance of present value of plan assets	827	518	-	-
Expected return on plan assets	68	43	-	-
Employer's contributions	198	263	105	13
Actuarial gains / (losses) on plan assets	15	8	-	-
Benefits paid	-	-	(105)	(13)
Amount not recognised as an asset (para 59 (b))	(8)	(5)	-	-
Closing balance of fair value of plan assets	1,100	827	-	-
<b>(iii) Percentage of each category of plan assets to total fair value of plan assets</b>				
Administered by Insurance companies of respective subsidiaries	100%	100%	-	-
<b>(iv) Reconciliation of present value of defined benefit obligations and the fair value of assets</b>				
Closing balance of present value of obligation	1,125	704	1,121	698
Closing balance of fair value of plan assets	1,100	827	-	-
Funded (asset)* / liability recognised in the Balance Sheet	(34)	(134)	-	-
Unfunded liability recognised in the Balance Sheet	59	11	1,121	698
<b>(v) Amount recognised in the Balance Sheet</b>				
Closing balance of present value of obligation	1,125	704	1,121	698
Closing balance of fair value of plan assets (including pending transfer)	1,100	827	-	-
Funded (asset)/ liability recognised in the Balance Sheet (Net)*	(34)	(134)	-	-
Unfunded liability recognised in the Balance Sheet*	59	11	1,121	698
<b>(vi) Expenses recognised in the Statement of Profit and Loss / Capital work-in-progress</b>				
Current service cost	231	175	351	373
Interest cost	76	54	84	61
Expected return on plan assets	(68)	(43)	-	-
Net actuarial (gain)/loss	99	(80)	92	(254)
Effects of limit as per para 59(b)	4	5	-	-
Total expenses recognised during the year	342	111	527	320
Excess provision written back	-	-	-	(140)
<b>(vii) Actuarial (gain) / loss on obligation</b>				
Net actuarial (gain) / loss due to experience	21	(56)	43	(234)
Net actuarial (gain) / loss due to change in assumption	78	(24)	49	(20)
<b>(viii) Expected employers' contribution for the next year</b>	224	144	-	-

\* Reflected under prepaid expenses Rs. 80 Lakhs (Previous year: Rs. 160 lakhs) in long-term / short-term loans and advances. (Refer note 3.14 and 3.19) and under short-term / long-term provisions Rs.105 lakhs (Previous year : Rs. 37 lakhs) (Refer note 3.6 and 3.10)

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

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

	Rupees in lakhs				
	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Gratuity</b>					
(a) Present value of the defined benefit obligation	1,125	704	518	305	183
Fair value of the plan assets	1,100	827	518	370	224
(Surplus)/Deficit in the plan	25	(123)	@	(65)	(41)
<b>(b) Experience adjustments</b>					
On plan liabilities	36	(48)	53	(14)	33
On plan assets	15	8	(8)	3	(@)
Total experience adjustments	21	(56)	61	(17)	33
<b>Leave encashment</b>					
(a) Present value of the defined benefit obligation	1,121	698	507	322	174
Fair value of the plan assets	-	-	-	13	2
Deficit in the plan	1,121	698	507	309	172
<b>(b) Experience Adjustments</b>					
On plan liabilities	43	(234)	(33)	(56)	69
On plan assets	-	-	-	-	-
Total experience adjustments	43	(234)	(33)	(56)	69

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

### 15. 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 "unallocable".

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, 2013					Year ended March 31, 2012				
	Power Generation	Others	Unallocable	Eliminations	Total	Power Generation	Others	Unallocable	Eliminations	Total
<b>Revenue</b>										
External revenue	492,488	171	-	-	492,659	195,839	6,082	-	-	201,921
Inter segment revenue	-	1,030	-	(1,030)	-	-	530	-	(530)	-
Total revenue	492,488	1,201	-	(1,030)	492,659	195,839	6,612	-	(530)	201,921
<b>Result</b>										
Segment result	156,827	171	-	-	156,998	64,042	1,546	-	-	65,588
Corporate income (net of corporate expenses)	-	-	790	-	790	-	-	37,824	-	37,824

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

Particulars	Year ended March 31, 2013					Year ended March 31, 2012				
	Power Generation	Others	Unalloca- ble	Elimina- tions	Total	Power Generation	Others	Unalloca- ble	Elimina- tions	Total
Interest and finance charges (net of interest income)	-	-	(37,827)	-	(37,827)	-	-	(8,173)	-	(8,173)
Profit before taxation	156,827	171	(37,037)	-	119,961	64,042	1,546	29,651	-	95,239
Taxes*	-	-	18,815	-	18,815	-	-	8,561	-	8,561
Profit after tax	156,827	171	(55,852)	-	101,146	64,042	1,546	21,090	-	86,678
<b>Other information</b>										
Segment assets	4,736,358	192	456,835	-	5,193,386	3,476,163	1,915	447,816	-	3,925,894
Segment liabilities	3,138,510	-	196,618	-	3,335,128	2,139,690	1,057	28,035	-	2,168,782
Capital expenditure	1,058,699	-	6,443	-	1,065,142	2,146,033	-	4,871	-	2,150,904
Depreciation	27,848	-	665	-	28,513	11,827	-	318	-	12,145
Non cash expenses other than depreciation	908	-	3,451	-	4,359	3,613	-	5	-	3,618

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

### 16. 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. Investing Parties/Promoters having significant influence on the Group directly or indirectly

##### Companies

Reliance Infrastructure Limited (R Infra)

AAA Project Ventures Private Limited (APVPL) (upto December 19, 2012)

##### 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 Ramaswami Kalidas, Manager (w.e.f. 27.05.2011)

##### (ii) Enterprises over which Companies/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 Power Transmission Limited (RPTL)

Reliance Energy Trading Limited (RETL)

BSES Kerala Power Limited (BKPL)

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

### C. Details of transactions and closing balances:

Rupees in lakhs

Particulars	Companies described in clause (A) above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
<b>Transactions during the year:</b>				
<b>Remuneration to key management personnel</b>				
- Shri J P Chalasani	-	-	327	327
	-	-	327	327
- Shri Ramaswami Kalidas	-	-	49	49
	-	-	36	36
- Shri Paresh Rathod	-	-	-	-
	-	-	2	2
<b>Sitting Fees</b>				
- Shri Anil D Ambani	-	-	1	1
	-	-	1	1
<b>Operating income</b>				
Fuel handling and service charges				
- R Infra	171	-	-	171
	5,827	-	-	5,827
- BKPL	-	-	-	-
	-	33	-	33
<b>Operating Expenditure</b>				
Fuel handling and service charges				
- BKPL	-	-	-	-
	-	17	-	17
Purchase of coal				
- R Infra	-	-	-	-
	724	-	-	724
<b>Advances given against EPC / other contracts</b>				
- R Infra	75,840	-	-	75,840
	140,088	-	-	140,088
<b>Advances refunded against EPC contract</b>				
- R Infra	88,000	-	-	88,000
	125,000	-	-	125,000
<b>Interest on advance for proposed debentures</b>				
- R Infra	612	-	-	612
	-	-	-	-
<b>Advance received against proposed debentures</b>				
- R Infra	120,000	-	-	120,000
	-	-	-	-
<b>Professional fees, rent and reimbursement of expenses / taxes paid</b>				
- R Infra	2,786	-	-	2,786
	1,802	-	-	1,802
- RCIL	-	5	-	5
	-	2	-	2
- RCL	-	1	-	1
	-	2	-	2
- RI IPL	-	1,321	-	1,321
	-	606	-	606
- R Com	-	-	-	-
	-	80	-	80



Particulars	Rupees in lakhs			
	Companies described in clause (A) above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
<b>Reimbursement of expenses received</b>				
- R Infra	-	-	-	-
	6	-	-	6
<b>Assets purchased</b>				
- R Infra	-	-	-	-
	1	-	-	1
- R Com	-	-	-	-
	-	23	-	23
<b>Material transferred</b>				
- R Infra	67	-	-	67
	273	-	-	273
- RGICL	-	-	-	-
	-	@	-	@
<b>Purchase of energy</b>				
- RETL	-	38,517	-	38,517
	-	-	-	-
<b>Sale of energy, including infirm power (net of rebate)</b>				
- R Infra	61,132	-	-	61,132
	82	-	-	82
<b>Open access charges paid/(reimbursed)</b>				
- R Infra	(107)	-	-	(107)
	-	-	-	-
- RETL	-	365	-	365
	-	-	-	-
<b>Material and services received</b>				
- R Infra	585,159	-	-	585,159
	1,163,169	-	-	1,163,169
- R Com	-	-	-	-
	-	12	-	12
- RPTL	-	-	-	-
	-	146	-	146
<b>Material/Services received under EPC contract reversed / liability written back</b>				
- R Infra	15,534	-	-	15,534
	-	-	-	-
<b>Insurance premium</b>				
- RGICL	-	4,190	-	4,190
	-	5,662	-	5,662
<b>Short term borrowings received</b>				
- R Infra	1,385	-	-	1,385
	-	-	-	-
<b>Interest paid</b>				
- R Infra	6	-	-	6
	-	-	-	-

@ 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, 2013

Particulars	Rupees in lakhs			
	Companies described in clause (A) above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
<b>Closing balances:</b>				
Liabilities and provisions*				
- R Infra	137,338	-	-	137,338
	<i>313,549</i>	-	-	<i>313,549</i>
- RGICL	-	-	-	-
	-	21	-	21
- RI IPL	-	1,242	-	1,242
	-	967	-	967
- R Com	-	382	-	382
	-	382	-	382
- RPTL	-	132	-	132
	-	132	-	132
*Includes creditors for capital expenditure, supplies and services (Non-current and current)				
<b>Trade payables</b>				
- RETL	-	3,334	-	3,334
	-	-	-	-
<b>Retention payable towards EPC contract</b>				
- R Infra	173,116	-	-	173,116
	<i>142,871</i>	-	-	<i>142,871</i>
<b>Advances against EPC and other contracts</b>				
- R Infra	239,032	-	-	239,032
	<i>396,095</i>	-	-	<i>396,095</i>
<b>Receivables</b>				
- R Infra	11,579	-	-	11,579
	<i>2,020</i>	-	-	<i>2,020</i>
- BKPL	-	-	-	-
	-	3	-	3
<b>Short term borrowings</b>				
- R Infra	121,385	-	-	121,385
	-	-	-	-

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.
- During the previous 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 24 with regards to transaction of SMPL for proposed lease of land from R Infra.
- Investments in Andhra LNG Private Limited, a joint venture wherein RCGL has invested Rs. 0.50 lakhs has not been disclosed as related party neither has been consolidated considering intention to dispose off and accordingly shown as a current investment.

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, 2013

### 17. Earnings per share:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
<b>Profit available to equity shareholders</b>		
Profit after tax (A) (Rupees in lakhs)	101,146	86,678
<b>Number of equity shares</b>		
Weighted average number of equity shares outstanding (B)	2,805,126,466	2,805,126,466
Basic and diluted earnings per share (A/B) (Rupees)	3.61	3.09
Nominal value of an equity share (Rupees)	10	10

### 18. Interest in joint venture operations:

The Parent Company, through its subsidiaries, has acquired Participating Interest (PI) in Oil & Gas and Coal Bed Methane (CBM) blocks in India by executing Production Sharing Contract (PSC) with the Government of India. PI in Oil & Gas block in Mizoram is held by Reliance Prima Limited (RPrima), PI in two CBM blocks in Rajasthan is held by Atos Trading Private Limited (ATPL), PI in CBM block in Madhya Pradesh is held by Coastal Andhra Power Infrastructure Limited (CAPIL) and PI in CBM block in Andhra Pradesh is held by Atos Mercantile Private Limited (AMPL).

During the year, the Group has accounted for Rs. 415 lakhs (Previous year: Rs. 819 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 holds a participating interest. The Subsidiaries share of assets and liabilities of Joint venture operation is as follows:

	As at March 31, 2013	Rupees in lakhs As at March 31, 2012
<b>Current assets</b>		
Inventories	372	306
Short term loan and advances	18	373
Cash and bank balance	99	8
<b>Current liabilities</b>		
Other current liabilities	103	180

During the course of the year, PSC of Oil & Gas block in Mizoram, wherein RPrima (subsidiary of Reliance Power Limited) has a participating interest of 10%, was terminated by the Government of India pursuant to discovery of misrepresentation by the Operator of the block, M/s. Naftogaz India Private Limited. Pursuant to such termination, RPrima has represented to the Government of India that it was not aware about the misrepresentation of facts by Naftogaz India Private Limited whose credentials to act as Operator were accepted by the Government of India. Hence no obligation can accrue to the Group in connection with the termination of the contract due to misrepresentation by the Operator.

### 19. In the case of SPL, while determining the accounting policy for capitalisation considering the plant as unit of measurement (Refer note 2 (d) (ii) above), the Group, after considering the opinions taken from the experts in accounting and technical and also views expressed by the industry association, has concluded that the entire plant, as envisaged in the PPA, would be taken

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

as a unit of measurement for the purpose of capitalisation rather than unit wise completion in absence of detailed guidance under Accounting Standard (AS) 10 'Accounting for Fixed Assets' as prescribed under the Companies (Accounting Standards) Rules, 2006. Accordingly, the whole power plant consisting of all six units on commencement of commercial production, i.e. wherein commercially feasible quantities are produced in a commercially practicable manner, for the plant as a whole as determined by the PPA has been considered as the date of capitalisation.

Accordingly, pending capitalisation, the revenues and direct operational expenses related to the units generated in the interim period are adjusted to the Capital Work-in-Progress.

20. RPSCL had commenced commercial operations of its third unit of 300 MW in previous year with effect from March 12, 2012. In the current year, RPSCL has declared commercial operations of its fourth unit of 300 MW from April 1, 2012. Pending final determination of tariff by Uttar Pradesh Electricity Regulatory Commission (UPERC), sale of energy aggregating Rs. 224,625 lakhs (Previous year : Rs. 2,672 lakhs) has been provisionally recognised as per the tariff petition filed, based on the principles enunciated in PPA entered with Uttar Pradesh Power Corporation Limited (UPPCL) read with UPERC regulations. Further, RPSCL has also accrued revenue aggregating Rs. 11,304 lakhs towards truing up of fixed charges as per tariff petitions filed based on the principles enunciated in PPA and UPERC regulations.
21. RPSCL 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, RPSCL 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, RPSCL is filing the returns and would make the payments to the regulatory authorities.
22. RPSCL is liable to pay value added tax on purchase of goods under "Uttar Pradesh Value Added Tax Act, 2008". As per Uttar Pradesh Power Policy 2003 read with Notification 1772 dated July 5, 2004 issued by Government of Uttar Pradesh, RPSCL 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, RPSCL is filing the returns and would make the payments to the regulatory authorities.
23. The Parent Company, through its subsidiary Maharashtra Energy Generation Limited ("MEGL"), had signed Memorandum of Understanding with Government of Maharashtra (GoM) to set up 4,000 MW power project at 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, MEGL 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. MEGL has written off the incidental expenditure amounting to Rs. 835 lakhs in the Statement of Profit and loss during the previous financial year. During the current year, MEGL received Rs. 3,716 lakhs towards refund of advance given earlier for acquisition of land and further steps are being taken to recover the balance amount of Rs. 688 lakhs from GoM.
24. 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 are its property.
25. SMPL project has received provisional mega power status certificate from the Ministry of Power / Government of India which, interalia, entails the project to avail the exemptions /benefits of Mega power projects. However Customs authorities and Customs, Excise and Service Tax Appellate Tribunal have not considered the exemption and SMPL has filed an appeal before the Honorable Supreme Court of India claiming the benefits of Mega project.
26. **Provision for Mine closure expenses (in case of SPL):**

	Rupees in lakhs	
	As at March 31, 2013	As at March 31, 2012
Balance as at beginning of the year	-	-
Additions	<b>2,595</b>	-
Amount used/reversed	-	-
Balance as at the end of the year	<b>2,595</b>	-

Provision for mine closure obligation represents estimates made towards the expected expenditure for restoring the mining area and other obligatory expenses as per the approved mine closure plan. The timing of the outflow with regards to the said matter would be in a phased manner based on the progress of excavation of coal.

27. 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.

## Notes to the Abridged consolidated financial statements for the year ended March 31, 2013

### 28. 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, 2013. 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.

29. LHPPL, PHPPL, SPPL, SKPL 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 (Previous year: Rs. 6,720 lakhs) to the Government as upfront fees for development and commissioning of the Hydro power projects.

30. Pursuant to the general exemption granted by the Department of Corporate Affairs, Government of India, 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 the annual report.

31. Previous year figures have been regrouped/recasted wherever considered necessary to make it comparable to current year presentation.

As per our attached report of even date.

#### For Price Waterhouse

Firm Registration No: 301112 E  
Chartered Accountants

#### For Chaturvedi & Shah

Firm Registration No: 101720 W  
Chartered Accountants

#### Partha Ghosh

Partner  
Membership No. 55913

#### C. D. Lala

Partner  
Membership No. 35671

Place : Mumbai  
Date : May 13, 2013

Place : Mumbai  
Date : May 13, 2013

#### 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 : May 13, 2013

# Reliance Power Limited

## Financial information of Subsidiary Companies

Name of Subsidiary	Share Capital including 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 Statement of Profit and Loss	Profit / (Loss) after Taxation
RPSCL	44,460	2,28,325	8,37,880	6,12,595	47,500	4,31,994	87,948	17,935	70,013
SPL	5,640	5,65,585	21,94,066	16,22,841	-	387	377	26	351
DSPLL	180	21,107	71,642	58,777	8,422	10,836	(869)	818	(1,687)
VJPL	1,191	1,29,424	4,24,320	3,05,605	11,900	51,309	(168)	-	(168)
JJPL	1,034	31,197	32,719	488	-	192	191	61	130
CAPL	5,100	(526)	1,05,679	1,01,105	-	29	(400)	1	(401)
CPPL	1,27,169	10,219	1,41,478	4,090	-	27	21	7	14
RSTEPL	1,5325	26,325	1,21,452	79,802	@	@	(140)	-	(140)
SMPL	3,002	2,96,702	7,41,000	4,41,296	@	@	@	3	(3)
SHHPL	37	14,789	14,974	148	-	7	7	@	7
THPPL	7	5,368	5,721	346	-	41	41	12	29
KPPL	34	12,933	13,188	221	-	@	@	@	@
USHHPL	1,668	(14)	1,660	6	-	-	@	@	@
AHPPPL	39	3,860	3,917	18	-	-	@	-	@
EHPPPL	36	3,538	3,581	7	-	-	@	-	@
MHPPPL	25	2,380	2,408	3	-	-	@	-	@
PHPPPL	35	6,037	6,072	@	-	-	@	-	@
TPPL	12	1,940	1,952	@	-	-	@	-	@
SPPL	6	936	942	@	-	-	@	-	@
LHPPL	13	2,145	2,159	1	-	-	@	-	@
SKPL	16	2,657	2,673	@	-	-	@	-	@
CAPL	5	656	1,474	813	-	1	1	(25)	26
ATPL	1	259	449	189	-	-	(49)	-	(49)
AMPPL	1	(245)	55	299	-	-	(106)	-	(106)
RPrima	5	(269)	14	278	-	-	(84)	@	(84)
MEGL	10	1,422	1,435	3	-	2	(357)	(7)	(350)
RNRL	5	3,499	5,666	2,162	-	64	(1,211)	-	(1,211)
RGPPPL	1	@	2,442	2,441	-	-	@	-	@
RCGL	2,595	2,41,973	15,562	15,880	2,44,886	5	@	2	(2)
BPL	5	@	31	26	-	-	@	@	@
RSRPPPL	1	@	1	@	-	-	@	-	@
RWPPL	1	@	42	41	-	-	@	-	@
RCPPPL	104	10,208	36,606	26,294	-	54	54	-	54
RCRPL	169	12,086	1,274	85	11,066	948	(246)	-	(246)
RPN <sup>5</sup>	12,279	579	22,491	18,101	8,468	1,180	353	35	318
PTH <sup>5</sup>	7,687	8	1,808	2	5,889	113	108	-	108
PTA <sup>5</sup>	3,072	(316)	571	28	2,213	59	(71)	-	(71)
BBE <sup>5</sup>	2,659	41	2,833	133	-	@	(42)	-	(42)
SBE <sup>5</sup>	7,744	(77)	8,079	412	-	4	(99)	-	(99)
RNRL-Singapore <sup>5</sup>	1,49,558	3,821	1,55,303	2,042	118	9,308	9,283	-	9,283
PTS <sup>5</sup>	118	(24)	70	26	50	-	(6)	-	(6)

\* Represents other income also.

<sup>5</sup> Reporting currency is USD.

# Reporting currency is IDR.

Dividend on Preference Shares issued by RNRL - Singapore proposed during the year Rs. 748 lakhs. No proposed dividend in other subsidiaries.

Exchange rate as on March 31, 2013 : 1 IDR = 0.006 INR; 1 USD = 54.3893 INR.

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

**Reliance Power Limited**Registered Office: H Block, 1<sup>st</sup> 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*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I/We hereby record my/our presence at the **19<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on Tuesday, August 27, 2013 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, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

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/her .....of .....  
 in the district of ..... as my/our proxy to vote for me/us and on my/our behalf at the  
 19<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, August 27, 2013 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 ..... 2013.

**\* 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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(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