

**RELIANCE**

**Power**

**Annual Report  
2015-16  
(Abridged)**



**Padma Vibhushan**

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

RPower presently has 5,945 MW of operational capacity.

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

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

## Mission: Excellence in Power Generation

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

*This Report is printed on environment friendly paper.*

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# Reliance Power Limited

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<b>Company Secretary</b>		
Shri Ramaswami Kalidas		
<b>Auditors</b>		
M/s. Chaturvedi & Shah		
M/s. Price Waterhouse		
<b>Registered Office</b>		
H Block, 1 <sup>st</sup> Floor Dhirubhai Ambani Knowledge City Navi Mumbai 400 710 CIN: L40101MH1995PLC084687 Tel : +91 22 3303 1000, Fax: +91 22 3303 3662 E-mail: reliancepower.investors@relianceada.com Website: www.reliancepower.co.in		
<b>Registrar and Transfer Agent</b>		
Karvy Computershare Private Limited Unit: Reliance Power Limited Karvy Selenium, Tower – B, Plot No. 31 & 32 Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad 500 032 Website : www.karvy.com		
<b>Investor Helpdesk</b>		
Toll free no. (India) : 1800 4250 999		
Tel. no. : +91 40 6716 1500		
Fax no. : +91 40 6716 1791		
E-mail : rpower@karvy.com		

**22<sup>nd</sup> Annual General Meeting on Tuesday, September 27, 2016 at 4.00 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Birla Matushri Sabhaagar, 19, New Marine Lines, Mumbai 400 020**

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

Letter to Shareowners



My dear fellow shareowners,

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

The year has been remarkable for your company in many ways. Our flagship, 3,960 MW Sasan Ultra Mega Power Project (Sasan UMPP), the World's largest integrated power plant and coal mine, operated at 90% PLF in its very first year of full operations, demonstrating best-in-class performance. Currently, the plant is operating at 100% PLF. The Moher and Moher Amlohri extension coal mine of Sasan UMPP achieved production of 17.02 million tonnes during the year, which is the highest among the private sector players in India.

The operating performance of our other plants during the year was also extremely satisfactory. The 1,200 MW coal-based Rosa Power Plant located in Uttar Pradesh, generated 7,060 million units operating at an availability of 93% for the year. The 600 MW Butibori Power Plant located in Maharashtra, generated 4,022 million units, at an availability of 97%. The 40 MW Solar PV plant located in Rajasthan, generated 68 million units of electricity operating at availability of 99% and the 45 MW wind power project located in Maharashtra generated 79.3 million units operating at availability of 97%. Driving operational excellence has been the focus of the year and we plan to build further on this platform to raise the levels of excellence.

Other significant accomplishments this year were the favourable regulatory orders in various matters, in particular for our Sasan UMPP. These orders allow Sasan Power to claim compensation relating to change in law events during the operations period. In a separate order, the Appellate Tribunal for Electricity (APTEL) upheld our plea in respect of the commercial operation date of the first unit of Sasan UMPP, thereby paving the way for Sasan Power to receive nearly ₹ 1,050 Crore.

I am confident that Sasan UMPP will continue to deliver best-in-class performance and set new benchmarks in operational excellence.

While your company continues to deliver excellence in operational and financial performance, it is committed towards the society and environment through its various Environment, Health & Safety (EHS) and CSR practices.

**Performance Review**

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

- Total income of ₹ 11,038 crore as compared to ₹ 7,202 crore in the previous year.
- Net profit of ₹ 1,362 crore as compared to ₹ 1,028 crore in the previous year.
- Earnings Per Share (EPS) of ₹ 4.86 as compared to ₹ 3.68 in the previous year.

I am happy to note that we declared our maiden equity dividend of ₹ 1/ per share during the financial year 2015-16. This interim dividend is proposed to be confirmed as the final dividend.

Your company has thus successfully completed Phase I - Growth delivering a strong operating portfolio of 5,945 MW power generation capacity and 20 Million Tonnes per annum capacity coal mine. Phase I - Growth has entailed a capital expenditure of nearly ₹ 50,000 crore in a record time. The Company has

been delivering consistent profits, cash flows and enjoys a well-capitalized balance sheet with one of the lowest debt to equity ratios in the industry.

Your company's risk management initiatives, with respect to Samalkot Gas-based Power Project, Tilaiya UMPP and Krishnapatnam UMPP, are progressing well.

The Company has plans for value accretive growth through a mix of opportunities across coal-based, hydro / renewable power projects.

**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**

Our portfolio of projects requires 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.

Our projects are operating in areas which are currently in development phase and we continue 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.

As a responsible corporate citizen, as part of our initiatives towards discharge of our corporate social responsibilities (CSR), we have made significant outlays in healthcare, education and livelihood opportunities for the communities.

**Our Commitment**

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

Thank you, shareowners, for your continued support in our journey of delivering consistent, competitive, profitable and responsible growth.

Anil Dhirubhai Ambani  
Chairman

# Reliance Power Limited

## Notice

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of **Reliance Power Limited** will be held on Tuesday, September 27, 2016 at 4.00 P.M. or soon after the conclusion of the annual general meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

### Ordinary Business:

1. To consider and adopt:
  - a) the audited financial statement of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon, and
  - b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016 and the report of the Auditors thereon.
2. To confirm the Interim Dividend of Re. 1 per equity share already paid as final dividend for the financial year ended March 31, 2016.
3. To appoint a Director in place of Dr. V. K. Chaturvedi (DIN: 01802454), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) be and are hereby appointed as the 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:

#### 5. Appointment of Auditors and fixing their remuneration

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

"RESOLVED THAT pursuant to Section 139 of the Companies Act 2013 (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, M/s. Pathak H. D. & Associates, Chartered Accountants (Firm Registration No. 107783W), in respect of whose appointment a special notice proposing the appointment under Section 140(4) of the Act has been received from a member, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W), to hold office from the conclusion of this Annual General Meeting for a term of consecutive five years till the conclusion of the 27<sup>th</sup> Annual General Meeting subject to ratification of the appointment by the members at every Annual General

Meeting held after this Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors."

#### 6. Appointment of Dr. Yogendra Narain as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Yogendra Narain (DIN: 01871111), Independent Director of the Company who was appointed to hold office for a term up to two consecutive years from September 27, 2014, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of one year from the date of coming into effect of this resolution."

#### 7. Private Placement of Non-Convertible Debentures

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the provisions contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the extent they are applicable, and/ or any other Rules / Regulations / Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and / or any other statutory / regulatory authority / body, and subject to the provisions of the Memorandum and Articles of Association of the Company, the Board of Directors of the Company (hereinafter referred to as "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 powers conferred by this Resolution) be and is hereby authorised to create, offer, invite to subscribe, issue and allot, from time to time, in one or more tranches and / or in one or more series, Secured / Unsecured / Redeemable Non-Convertible Debentures (hereinafter referred to as the "NCDs"), on private placement basis, provided that the aggregate amount of such NCDs shall be within the overall borrowing limits of the Company, as approved by the Members from time to time.

## Notice

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine in its absolute discretion the terms and quantum of the issue(s) including the consideration and utilisation of proceeds, class of investors and to do all such acts and things and deal with all such matters and take all such steps as may be necessary."

8. **Payment of remuneration to Cost Auditors for the financial year ending March 31, 2017**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, M/s. V. J. Talati & Company, Cost Accountants (Firm Registration Number R/00213) appointed as the Cost Auditors in respect of its 45 MW Windfarm Power Project at Vashpet, Maharashtra, for the financial year ending March 31, 2017, be paid a remuneration of ₹ 15,000/- (Rupees fifteen thousand only) excluding service tax and out of pocket expenses, if any.

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

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 400 710  
CIN: L40101MH1995PLC084687  
Website: www.reliancepower.co.in

May 27, 2016

# Reliance Power Limited

## Notice

### Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to items of special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of herself/himself, and the proxy need not be a Member of the Company. The instrument appointing proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not later than forty eight hours before the commencement of the Meeting. A Proxy form is sent herewith.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
4. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
6. 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.
7. 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.
8. Clause 49 of the Listing Agreement with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period December 1, 2015 to March 31, 2016 are referred to as Listing Regulations in this Annual Report.
9. Relevant documents referred to in the accompanying Notice, are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Meeting. The certificate from the Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's ESOS Plans will be available for inspection at the Meeting.
10. The Company's Register of Members and Transfer Books will remain closed from Saturday, September 17, 2016 to Tuesday, September 27, 2016, (both days inclusive) in connection with the above Meeting.
11. 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 held in electronic form.
12. Members holding shares in physical form are requested to advise any change of address and other mandates immediately to the Company/Registrar and Transfer Agent, Karvy Computershare Private Limited.
13. As Section 125 of the Companies Act, 2013, has been only partially notified, pursuant to the corresponding Section 205(C) of the Companies Act, 1956, the Company has transferred, the unpaid or unclaimed amounts of the unsuccessful applicants under the Company's IPO made in the year 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government on February 28, 2015. Pursuant to the provisions of the 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 the unpaid and unclaimed amounts transferred to the said fund on the website of the Company ([www.reliancepower.co.in](http://www.reliancepower.co.in)) as also on the website of the Ministry of Corporate Affairs.
14. Non-resident Indian Members are requested to inform Karvy Computershare Private Limited immediately on:
  - a. the change in their residential status on return to India for permanent settlement; and
  - b. the particulars of the bank accounts maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
15. Re-appointment / Appointment of Directors  
At the ensuing Annual General Meeting, Dr. V. K. Chaturvedi, Director of the Company retires by rotation under the provisions of the Companies Act, 2013 and being eligible offers himself for re-appointment. The details pertaining to Dr. Chaturvedi pursuant to the requirements of Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the report on Corporate Governance forming part of this Annual Report.  
Dr. Yogendra Narain was appointed as an Independent Director on September 27, 2014 for a term of two consecutive years. As per the Company's Board charter, the retirement age for directors is 75 years. Dr. Narain will attain the age of 75 years by June, 2017. For this reason, keeping in view the Board charter, it is proposed to appoint him for a further term of one year only from the date of coming into effect of this resolution. Dr. Narain is eligible for the appointment and has also given a declaration as to his independence. The details pertaining to Dr. Narain pursuant

## Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated May 27, 2016

to Section 152(5) of the Act read with requirements of Listing Regulations, are furnished in the report on Corporate Governance forming part of this Annual Report.

Dr. V. K. Chaturvadi and Dr. Yogendra Narain are not related to other Directors of the Company.

16. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
17. Members are requested to fill in and submit online the Feedback Form provided in the 'Investor Information' section on the Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in) to aid the Company in its constant endeavour to enhance the standards of service to investors.
18. The Statement containing the salient features of the balance sheet, the statement of profit and loss, cash flow statement and Auditors' Report on the Abridged Financial Statement, is sent to the members, along with the Abridged Consolidated Financial Statement. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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.
20. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH 13 duly filled in to Karvy Computershare Private Limited, Karvy Selenium, Tower – B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda, Hyderabad 500 032, or call on Toll free no. (India) : 1800 4250 999, Tel no. : +91 40 6716 1500, Fax no. : +91 40 6716 1791 or on e-mail to [rpower@karvy.com](mailto:rpower@karvy.com). The prescribed form in this regard may also be obtained from Karvy Computershare Private Limited at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.
21. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.
22. Members who have not registered their e-mail addresses so far are requested to do so, so that they can receive the Annual Report and other communication from the Company electronically.
23. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules made there under and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated May 27, 2016 (remote e-voting). A person, whose name is recorded in the register of members or in the register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. September 20, 2016 only shall be entitled to avail the facility of remote e-voting/voting. Karvy Computershare Private Limited, our Registrar and Transfer Agent will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their votes online from 10.00 A.M. on September 24, 2016 to 5.00 P.M. on September 26, 2016. The Members may refer to the detailed procedure on remote e-voting given in the e-voting instruction slip.  
The facility for voting shall also be available at the meeting. The members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their votes again at the meeting.  
The Board of Directors have appointed Shri Anil Lohia or in his absence, Shri Rinkit Kiran Uchat, Partners, M/s. Dayal & Lohia, Chartered Accountants as Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of voting will be announced after the meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.reliancepower.co.in](http://www.reliancepower.co.in) and also posted on the website of Karvy Computershare Private Limited.

### **Item No. 5 – Appointment of Auditors and fixing their remuneration**

The Company's retiring auditors M/s. Chaturvedi & Shah and M/s. Price Waterhouse were both appointed in the year 2007 and have continued to be the auditors all these years. Section 139(2) of the Companies Act, 2013 (hereinafter referred to as 'the Act') provides that in the case of a listed company or other companies as prescribed, the auditors cannot be appointed for more than two terms of five consecutive years. For computing the above tenure of appointment, the period for which the statutory auditors have been associated prior to the coming into force of the Act shall also be taken into consideration.

The retiring auditors have therefore completed nine years in office from their original dates of appointment.

The third Proviso under Section 139(2) of the Act states that every company which was existing on or before the commencement of the Act and which has to comply with the requirements of this sub-section shall ensure such compliance within three years from the date of commencement of the Act.

In view of the above, the Company has to fall in line with the requirements of Section 139(2) of the Act on or before March 31, 2017. The Act contemplates that the change in the auditors can be made in a phased manner such that one of the retiring auditors can continue to remain in office for one more year whilst the other firm is substituted.

In the light of the foregoing, the Company has received a special notice under Section 140(4) of the Act from a member proposing the appointment of M/s. Pathak H. D. & Associates as statutory auditors for a period of five years commencing from the conclusion of this Annual General Meeting ("AGM") till the date of the 27<sup>th</sup> AGM of the shareholders of the Company. M/s. Pathak H.D. & Associates have given their consent to the above appointment and have also confirmed that they are not disqualified in any manner from accepting the appointment.

At the next AGM of the members, the other retiring auditors M/s. Price Waterhouse will be substituted by another firm of auditors and in this process, the Company shall be completing the transition to the requirements of the Act.

In view of the above, consent of the members is sought for the appointment of M/s. Pathak H.D. & Associates for a period of five years on a remuneration to be determined by the Board of Directors subject to ratification of their appointment by the shareholders at every AGM hereafter till the 27<sup>th</sup> AGM.

M/s. Pathak H. D. & Associates, have provided a certificate to the Company that they satisfy the criteria laid down in Section 141 of the Act.

Consent of the proposed auditors together with the certificate that the appointment, if made, shall in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of the Notice.

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

### **Item No. 6 – Appointment of Dr. Yogendra Narain as an Independent Director**

Pursuant to the requirements of Section 149(10) of the Companies Act, 2013 (hereinafter referred to as 'the Act'), Dr. Yogendra Narain was appointed as the Independent Director of the Company under the provisions of the Act by postal ballot on September 27, 2014 for a period of two consecutive years.

Dr. Narain will complete 74 years of age in June 2016.

Dr. Narain is eligible for the re-appointment and has given his confirmation that he is not disqualified in any manner from such appointment. He has also given a declaration as to his independence in terms of the provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The details pertaining to Dr. Yogendra Narain, pursuant to the requirements of Section 152 (5) of the Act and Regulation 36(3) of the Listing Regulations are furnished in the report on Corporate Governance forming part of this Annual Report. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made thereunder for such an appointment and that he is independent of the management.

In keeping with the Company's charter which provides for a retirement age of 75 years for Directors, it is proposed to appoint him for a period of one year only from the date of coming into effect of the proposed resolution. Dr. Narain will complete 75 years of age before completion of the proposed term of one year as stated above.

The Company has received a notice in writing from a member along with the deposit of the requisite amount under Section 160 of the Act, proposing the candidature of Dr. Narain for the office of Director of the Company. The Nomination and Remuneration Committee of the Board, has recommended the appointment of Dr. Yogendra Narain as an Independent Director for a period of one year from the coming into effect of this resolution.

The relatives of Dr. Narain may be deemed to be interested in the resolution set out in item no. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Dr. Yogendra Narain, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the Notice.

The Board accordingly recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

### **Item No. 7 – Private Placement of Non-Convertible Debentures**

As per the provisions of Section 42 of the Companies Act, 2013 ("the Act") read with the Rules made there under, a Company offering or making an invitation to subscribe to securities on a

## Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated May 27, 2016

private placement basis is required to obtain the approval of the Members by way of a Special Resolution. The Act provides that such approval can be obtained once in a year for all the offers or invitations for Non-Convertible Debentures (NCDs) to be issued during the year.

In order to augment resources in the ordinary course of business for such purposes as may be deemed necessary including for general corporate purposes, the Company may offer or invite subscriptions for secured/unsecured NCDs in one or more series / tranches, on private placement basis.

This resolution enables the Board of Directors of the Company to offer or invite subscription for NCDs as may be required by the Company from time to time, for a year from the date of the said resolution coming into effect.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 7 of the Notice.

The Board accordingly recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for approval of the Members.

### **Item No. 8 - Payment of remuneration to the Cost Auditors for the financial year ending March 31, 2017**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V. J. Talati & Company, Cost Accountants (Firm Registration No. R/00213), as the Cost Auditors in respect of its 45 MW

Windfarm Power Project at Vashpat, Maharashtra for the financial year ending March 31, 2017, at a remuneration of ₹ 15,000/- (Rupees Fifteen thousand only) excluding service tax and out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at item No. 8 of the Notice.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 8 of the accompanying Notice for approval of the Members.

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 400 710  
CIN: L40101MH1995PLC084687  
Website: [www.reliancepower.co.in](http://www.reliancepower.co.in)

May 27, 2016

# Reliance Power Limited

## Directors' Report

Dear Shareowners,

Your Directors present the 22<sup>nd</sup> Annual Report and the audited accounts for the financial year ended March 31, 2016.

### Financial Results

The performance of the Company (consolidated and standalone) for the financial year ended March 31, 2016, is summarised below:

Particulars	Financial Year ended March 31, 2016		Financial Year ended March 31, 2015	
	₹ in lakhs (Consolidated)	₹ in lakhs (Standalone)	₹ in lakhs (Consolidated)	₹ in lakhs (Standalone)
Total Income	1,103,850	68,784	7,20,200	36,932
Profit before tax	156,555	40,413	1,28,636	2,832
Less: Provision for taxation (Net)	20,361	139	25,804	322
Profit after tax	136,194	40,274	1,02,832	2,510

### Financial Performance

During the financial year under review, the total Income of the Company was ₹ 68,784 lakhs against ₹ 36,932 lakhs in the previous year on a standalone basis. The Company has earned a Profit after tax of ₹ 40,274 lakhs compared to ₹ 2,510 lakhs in the previous year on a standalone basis.

### Dividend

The Company has declared maiden interim dividend of ₹ 1 per share (i.e. 10% per share) during the year 2015-16 and the same is proposed to be confirmed as final dividend with the approval of the shareholders for the financial year under review.

### Business Operations

During the year 2015-16, the most significant achievement was the operational performance of our flagship Sasan UMPP project, the World's largest integrated power plant and coal mine. The plant in its very first year of full operations, operated at PLF of 90% which was the best-in-class among plants of similar capacity. The captive coal mine achieved production of 17.02 million tonne, the highest in private sector in less than 4 years from commencement of production. This bears testimony to the determination and hard work put in by our employees in setting such benchmarks.

The 1,200 MW coal based Rosa Power Plant in Uttar Pradesh operated at an availability of 93 % PLF during the year, in its fourth year of operations.

The 600 MW Butibori coal based power plant also performed exceedingly well generating 4,022 MU of power which is being supplied under a long term Power Purchase Agreement (PPA) approved by Maharashtra Electricity Regulatory Commission.

The 40 MW Solar PV power project in Rajasthan generated 68 MU of electricity during the year.

The Company's 45 MW wind farm in Sangli District of Maharashtra produced 79.3 MU of Electricity.

The concentrated Solar Power (CSP) plant in Rajasthan with a capacity of 100 MW achieved peak load of 111 MW during the year.

The Company's wholly owned subsidiary, Jharkhand Integrated Power Limited (JIPL) has issued a notice for terminating the PPA upon the Power Procurers on account of their failure to

fulfil the conditions subsequent as per the PPA entered into by the Company with them. Subsequently, the Procurers at their meeting held in November 2015 accepted the termination and decided to acquire 100% ownership of JIPL. The process of transfer of JIPL to the procurers against a specified termination compensation is underway.

### Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report.

### Non-convertible Debentures

During the year under review, the Company has issued Redeemable Non-convertible Debentures aggregating to ₹ 400 crores which are outstanding as on date. Out of the above ₹ 250 crores are secured. These Debentures are listed on BSE Limited and National Stock Exchange of India Limited.

### Deposits

The Company has not accepted any deposits from the public which comes within the purview of Section 73 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Acceptance of Deposits) Rules, 2014.

### Particulars of Investments

Pursuant to the provisions of Section 186 of the Act, the details of Investments made are provided in the unabridged standalone financial statements under note nos. 3.10 and 3.13.

### Subsidiary and Associate Companies

As on March 31, 2016, the Company had 48 Subsidiaries under it. The following companies became subsidiaries of the Company during the year:

1. RPL Sunshine Power Private Limited (Formerly known as Solar Generation Company (Rajasthan) Private Limited). (w.e.f. July 16, 2015)
2. RPL Surya Power Private Limited. (w.e.f. July 31, 2015)
3. RPL Star Power Private Limited. (w.e.f. August 7, 2015)
4. RPL Sunlight Power Private Limited. (w.e.f. August 19, 2015)

## Directors' Report

5. RPL Solar Power Private Limited. (w.e.f. August 26, 2015)
6. RPL Aditya Power Private Limited. (w.e.f. August 26, 2015)
7. RPL Solaris Power Private Limited. (w.e.f. September 7, 2015)

During the year the following Companies became Subsidiaries w.e.f. July 16, 2015 and ceased to be Subsidiaries w.e.f. February 16, 2016.

1. RPL Sun Power Private Limited (Formerly known as Reliance Biomass Power Private Limited).
2. RPL Photon Private Limited (Formerly known as Reliance Renewable Power Private Limited) and
3. RPL Sun Technique Private Limited (Formerly known as Reliance Tidal Power Private Limited).

The Company does not have any Associate Company.

The operating and financial performance of the major subsidiary companies, has been discussed in the Management Discussion and Analysis Report forming a part of this Annual Report. In addition, the financial results of the subsidiary companies have been consolidated with those of the parent Company. The Company's policy for determining material subsidiaries may be accessed on the Company's website at the link [http://www.reliancepower.co.in/1106/Policy\\_for\\_Determining\\_Material\\_Subsiidiary.pdf](http://www.reliancepower.co.in/1106/Policy_for_Determining_Material_Subsiidiary.pdf).

### Consolidated Financial Statement

The audited consolidated financial statement for the financial year ended March 31, 2016, based on the financial statements received from the subsidiary companies, 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" as specified under the Act read with the Accounting Standards Rules as applicable.

### Directors

Dr. Yogendra Narain, Independent Director was appointed for a term of two consecutive years on September 27, 2014. Dr. Narain will complete 74 years of age in June 2016.

In keeping with the Company's charter which provides for a retirement age of 75 years for Directors, it is proposed to appoint him for a period of one year only from the date of the ensuing Annual General Meeting (AGM) in which the resolution for his appointment shall be considered. Dr. Narain will complete 75 years of age before completion of the proposed term of one year as stated above.

The Company has received a notice in writing from a member along with the requisite deposit under Section 160 of the Act, proposing the candidature of Dr. Narain for the office of Director of the Company. The Nomination and Remuneration Committee of the Board, has also recommended the re-appointment of Dr. Yogendra Narain as an Independent Director for a period of one year from the date of his proposed appointment.

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

The details of programmes for familiarisation of Independent Directors with the Company, nature of industry in which the Company operates and related matters are put up on the website of the Company at the link: [http://www.reliancepower.co.in/2015/Familiarisation\\_Policy.pdf](http://www.reliancepower.co.in/2015/Familiarisation_Policy.pdf)

In accordance with the provisions of the Act, Dr. V. K. Chaturvedi, Non-Executive Director retires by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting (AGM).

A brief resume of both Dr. Yogendra Narain and Dr. V. K. Chaturvedi along with the information regarding the nature of their expertise in specific functional areas and names of the companies in which they hold directorship and / or membership / chairmanship of Committees of the respective Boards, shareholding and relationship between Directors, *inter se*, as stipulated under Regulation 36(3) of the Listing Regulations and Section 152(5) of the Act, is given in the section on Corporate Governance Report forming part of this Annual Report.

### Key Managerial Personnel

Shri N. Venugopala Rao was appointed as the Chief Executive Officer of the Company and designated as the Key Managerial Personnel (KMP) by the Board at its meeting held on October 13, 2015.

Shri Ashutosh Agarwala, the Chief Financial Officer and Shri Ramaswami Kalidas, the Company Secretary are the other KMPs. Shri Ramaswami Kalidas ceased to be the Manager upon completion of his tenure on May 26, 2016.

### Evaluation of Directors, Board and Committees

The Board has devised a policy for performance evaluation of its individual directors, the Board and the Committees, which includes criteria for performance evaluation.

Pursuant to Section 178(2) of the Act read with Rules made there under and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, working of the Committees, and the directors individually. The Board's performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of processes and information provided to the Board etc.

A separate meeting of the independent directors was also held during the year for evaluation of the performance of non-independent directors, performance of the Board as whole and that of the Chairman. In accordance with the requirements of the Statute and the Listing Regulations, the meeting was attended by all independent directors.

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

### Policy on appointment and Remuneration for Directors, Key Managerial Personnel and Senior Management employees

The Nomination and Remuneration Committee has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their remuneration. The Committee has formulated the

## Directors' Report

criteria for determining the qualifications, positive attributes and independence of Directors, which has been put up on the Company's website. Further, the Committee has also devised a policy relating to remuneration for Key Managerial Personnel and senior management employees, as the Company does not have any Whole-time Director / Managing Director on its Board at present. All the directors, being non-executive, were paid only sitting fees for attending the meetings of the Board and its Committees, The policy on the above is attached as Annexure - A.

### Directors' Responsibility Statement

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

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statement for the financial year ended March 31, 2016 on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into by the Company during the financial year under review with related parties were at an arm's length basis and in the ordinary course of business. No materially significant related party transactions were made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee for approval. Omnibus approvals of the Audit Committee were obtained for the transactions which were of a repetitive nature. Transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis. The policy on Related Party Transactions as approved by the Board has been uploaded

on the Company's website at the link [http://www.reliancepower.co.in/1106/Policy\\_for\\_Related\\_Party\\_Transactions.pdf](http://www.reliancepower.co.in/1106/Policy_for_Related_Party_Transactions.pdf).

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

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

There were no material changes and commitments affecting the financial position of the Company.

### Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, eight Meetings of the Board were held, details of which are given in the Corporate Governance Report.

### Audit Committee

The Audit Committee of the Board consists of the following Independent Directors namely Dr. Yogendra Narain (Chairman), Shri D.J. Kakalia and Smt. Rashna Khan. Shri Sateesh Seth, Non-independent Non-executive Director is a member of the Committee. Dr. V.K. Chaturvedi, Non-independent Non-executive Director was withdrawn from the Committee during the year to ensure that the structure of the Committee is in line with the requirements of the Listing Regulations. He continues to be a permanent invitee to the meetings of the Committee as decided by the Board. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, the Auditors of the Company hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. The existing Auditors would be completing tenure of 9 years at the forthcoming AGM.

To fall in line with the requirements of Section 139(2) of the Act, one of the Auditors will have to be substituted by another firm of auditors who have to be appointed by the shareholders for a term not exceeding five consecutive years. As the Company has joint Auditors, in accordance with Rule 6(4) of the Companies (Audit and Auditors) Rules, 2014, the Company proposes to follow the rotation of Auditors in such a manner that both the Joint auditors do not complete their term in the same year.

To enable a phased transition in the above manner, it is proposed to re-appoint M/s. Price Waterhouse as statutory auditors till the conclusion of the next AGM. M/s. Price Waterhouse have consented to the above appointment and have confirmed their eligibility for the same.

The Company has received pursuant to Section 140(4) of the Act read with Section 115 of the Act and the Companies (Management and Administration) Rules, 2014, a special notice from a member proposing the appointment of M/s. Pathak H. D. & Associates, Chartered Accountants, as Auditors for a period of five consecutive years beginning from the conclusion of this AGM till the conclusion of the 27<sup>th</sup> AGM.

M/s. Pathak H. D. & Associates have provided a certificate to the Company that they satisfy the criteria laid down in Section 141 of the Act. They have also given their written consent for the proposed appointment.

**Directors' Report**

Shareholders are requested to approve the appointment of the Auditors as above at the ensuing AGM.

The observations and comments given by the Auditors in their report read together with the notes on the financial statements are self explanatory and hence do not call for any further comments under Section 134 of the Act.

**Cost Auditors**

Pursuant to the provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors have appointed M/s. V. J. Talati & Co., Cost Accountants, as the Cost Auditors in respect of its 45 MW Wind Farm Power project at Vashpet, Maharashtra for the financial year ending March 31, 2017, subject to the remuneration being ratified by the Shareholders at the ensuing AGM of the Company.

**Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Ajay Kumar & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There are no qualifications, reservations or adverse remarks in their Secretarial Audit Report. The Report of the Secretarial Auditor is attached herewith as Annexure – B.

**Extract of Annual Return**

Extract of the Annual Return of the Company in form MGT-9 is attached herewith as Annexure – C.

**Employees Stock Option Scheme**

During the year under review, the Company has not granted any Options to the employees of the Company. Employees Stock Option Scheme (ESOS) has been approved and implemented by the Company and options were granted to the employees in accordance with the guidelines applicable to such ESOS.

The ESOS Compensation Committee of the Board monitors the Scheme and Plans which are in line with the SEBI guidelines in this regard. The existing ESOS Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

The required disclosures in accordance with the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2016 are as follows:

a.	Options granted	85,00,000
b.	Options vested	85,00,000. As per the Scheme, the vested options are exercisable any time during the duration of the Scheme.
c.	Options exercised	Nil
d.	Total number of shares arising out of the exercise of the options	Nil
e.	Options lapsed	Nil
f.	Exercise price	₹ 162 per Equity Share.

g.	Variations of terms of options	None
h.	Money realised by exercise of options	Nil
i.	Total number of options in force	85,00,000
j.	Employee wise details of options granted to:-	
	(i) Key Managerial Personnel	Nil
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year	Nil
	(iii) Identified employees who were granted option, during any one year equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

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 Regulations and as per the resolution passed by the Members of the Company authorizing the issuance of the said options.

The other details as required under Listing Regulations are disclosed on the Company's website at [www.reliancepower.co.in](http://www.reliancepower.co.in).

**Particulars of Employees and related disclosures**

In terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in the said Rules are provided in Annexure to the Directors' Report. However, having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the Shareholders of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of AGM and any member interested in obtaining the same may write to the Company Secretary. Upon such request the information shall be furnished.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure – D.

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

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

# Reliance Power Limited

## Directors' Report

### Corporate Governance

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

A Certificate from the auditors of the Company M/s. Price Waterhouse and M/s. Chaturvedi & Shah, Chartered Accountants conforming compliance to the conditions of Corporate Governance as stipulated under Part E of Schedule V to the Listing Regulations is enclosed to this Report.

### Vigil Mechanism

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

### Risk Management

The Company continues to have a Risk Management Committee consisting of majority of directors and senior managerial personnel. The details of the Committee and its terms of reference, etc. are set out in the Corporate Governance Report forming part of this Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhances Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The risks are assessed for each project and mitigation measures are initiated both at the project as well as the corporate level.

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

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

### Corporate Social Responsibility

The Corporate Social Responsibility Committee of the Board performs its functions in accordance with the provisions of the Act. It has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link: [http://www.reliancepower.co.in/2015/CSR\\_Policy.pdf](http://www.reliancepower.co.in/2015/CSR_Policy.pdf).

The CSR Committee of the Board consists of Dr. Yogendra Narain as Chairman, Shri Sateesh Seth, Dr. V. K. Chaturvedi, Shri D. J. Kakalia and Smt. Rashna Khan, Directors as members.

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

### Orders, if any, passed by regulators or courts or tribunals

No orders have been passed by the regulators or courts or tribunals which impact the going concern status and operations of the Company.

### Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the Internal Audit Cell and by the Audit Committee for its effectiveness. The control measures adopted by the Company have been found to be effective and adequate to the Company's requirements.

### Business Responsibility Report

Business Responsibility Report has been uploaded on a voluntary basis on the website of the Company at [www.reliancepower.co.in](http://www.reliancepower.co.in).

### Acknowledgements

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

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

**Anil Dhirubhai Ambani  
Chairman**

Mumbai  
May 27, 2016

**Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management employees**

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

**1. Introduction**

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

**2. Objectives**

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

**3. Scope and Coverage**

In accordance with the provisions of the Act, a "Nomination and Remuneration Committee" of the Board has been constituted, *inter alia*, to recommend to the Board the appointment and remuneration of Directors, KMPs and persons belonging to the Senior Management cadre.

**4. Definitions**

- 4.1 "Director" means a director appointed to the Board of the Company.
- 4.2 "Key Managerial Personnel" in relation to the Company means –
  - i) the Chief Executive Officer or the Managing Director or the Manager
  - ii) the Company Secretary
  - iii) the Whole-time Director
  - iv) the Chief Financial Officer; and
  - v) such other officer as may be prescribed under the Companies Act, 2013.
- 4.3 "Senior Management" refers to personnel of the Company who are members of its core management team excluding the Board of Directors and comprises of all members of the management, one level below the executive directors, if any.

**5. Policy**

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

**6. Payout mechanism**

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

**7. Annual Compensation Review**

The compensation review year will be 1 April to 31 March. The annual compensation review, as part of the performance management system (PMS) cycle, shall be guided by:

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

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

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

**9. Modifications / Amendments / Interpretation**

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of applicability to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the audit period) and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, from 1.12.2015 to 31.03.2016.
- (vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY
  - (a) The Electricity Act, 2003 and the rules made thereunder
- (vii) OTHER LAWS APPLICABLE TO THE COMPANY

Adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, environmental laws etc. to the extent of their applicability to the Company.

**Directors' Report**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The listing Agreements entered into by the Company with stock exchanges upto 30.11.2015;

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

**I further report that**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, woman Director and Independent Directors. The Company did not have any Executive Director during the audit period. During the year there was no change in the composition of Board of Directors.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the directors at the meetings.
- (iii) All decisions at board meetings and committee meetings are carried out unanimously as recorded in the minutes of meetings of Board of Directors or the committees of the board, as the case may be.

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

**I further report that** during the audit period the Company has:

- (i) Issued and allotted 1500 unsecured redeemable non-convertible debentures of ₹ 10 lakhs each on private placement basis. The said securities are listed with BSE and NSE.
- (ii) Further issued and allotted 2500 secured redeemable non-convertible debentures of ₹ 10 lakhs each on private placement basis. The said securities are listed with BSE and NSE.
- (iii) The Company has declared and paid interim dividend of ₹ 1/- per equity share.
- (iv) The Company had appointed Shri N. Venugopala Rao as CEO with effect from 13.10.2015.

**Signature:**

**(Ajay Kumar)**  
**Ajay Kumar & Co.**  
**FCS No. 3399**  
**C.P. No. 2944**

Date : 7-5-2016  
Place : Mumbai

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i. CIN	L40101MH1995PLC084687
ii. Registration Date	January 17, 1995
iii. Name of the Company	Reliance Power Limited
iv. Category / Sub-Category of the Company	Public Company / Limited by Shares
v. Address of the Registered office and contact details	H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 Tel : +91 22 3303 1000, Fax: +91 22 3303 3662 E-mail: reliancepower.investors@relianceada.com Website: www.reliancepower.co.in
vi. Whether listed company Yes / No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda, Hyderabad 500 032 Toll Free No. (India) : 1800 4250 999 Tel: +91 40 6716 1500, Fax: +91 40 6716 1791 E-mail: rpower@karvy.com Website : www.karvy.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 per cent or more of the total turnover of the Company shall be stated:

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Power Generation	3510	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% Of Shares Held	Applicable Section
1.	Vidarbha Industries Power Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U23209MH2005PLC158371	Subsidiary	100	2(87)
2.	Rosa Power Supply Company Limited 7th Floor, B-Wing, Raheja Point – I, Jawaharlal Nehru Marg, Vakola Market, Santa Cruz (East), Mumbai 400 055	U31101MH1994PLC243148	Subsidiary	100	2(87)
3.	Sasan Power Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40102MH2006PLC190557	Subsidiary	100	2(87)
4.	Jharkhand Integrated Power Limited 7th Floor, B-Wing, Raheja Point – I, Jawaharlal Nehru Marg, Vakola Market, Santa Cruz (East), Mumbai 400 055	U74999DL2007G0I157245	Subsidiary	100	2(87)
5.	Coastal Andhra Power Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40102MH2006G0I188622	Subsidiary	100	2(87)

**Directors' Report**

<b>Sl. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary / Associate</b>	<b>% Of Shares Held</b>	<b>Applicable Section</b>
6.	Maharashtra Energy Generation Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U67190MH2005PLC154361	Subsidiary	100	2(87)
7.	Chitrangi Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40101MH2007PTC173904	Subsidiary	100	2(87)
8.	Reliance Geothermal Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U10101MH2010PTC209925	Subsidiary	75	2(87)
9.	Siyom Hydro Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40101MH2007PTC173913	Subsidiary	100	2(87)
10.	Tato Hydro Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40102MH2007PTC173907	Subsidiary	100	2(87)
11.	Kalai Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40102MH2007PTC174507	Subsidiary	100	2(87)
12.	Urthing Sobhla Hydro Power Private Limited Plot No. 56, 1st Floor, City Centre, Kochar Complex, Rajpur Road, Dehradun, Uttarakhand 248 001	U74999UR2007PTC032472	Subsidiary	88.91	2(87)
13.	Amulin Hydro Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40105MH2009PTC193856	Subsidiary	100	2(87)
14.	Emini Hydro Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40103MH2009PTC193874	Subsidiary	100	2(87)
15.	Mihundon Hydro Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40105MH2009PTC193855	Subsidiary	100	2(87)
16.	Reliance Coal Resources Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U85110MH2006PTC165903	Subsidiary	100	2(87)
17.	Reliance CleanGen Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40100MH1995PLC084688	Subsidiary	100	2(87)
18.	Moher Power Limited (Formerly known as Bharuch Power Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74990MH2008PLC186727	Subsidiary	100	2(87)
19.	Samalkot Power Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40103MH2010PLC206084	Subsidiary	100	2(87)
20.	Reliance Solar Resources Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40105MH2010PTC209921	Subsidiary	100	2(87)
21.	Reliance Wind Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40106MH2010PTC209942	Subsidiary	100	2(87)

# Reliance Power Limited

## Directors' Report

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% Of Shares Held	Applicable Section
22.	Reliance Green Power Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40106MH2010PTC209947	Subsidiary	100	2(87)
23.	Rajasthan Sun Technique Energy Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74990MH2009PTC195625	Subsidiary	100	2(87)
24.	Coastal Andhra Power Infrastructure Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U11100MH2005PLC158364	Subsidiary	100	2(87)
25.	Reliance Prima Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U11100MH2008PLC186720	Subsidiary	100	2(87)
26.	Atos Trading Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U11100MH2010PTC198818	Subsidiary	100	2(87)
27.	Atos Mercantile Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U11100MH2010PTC198817	Subsidiary	100	2(87)
28.	Reliance Natural Resources Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U64200MH2000PLC125260	Subsidiary	100	2(87)
29.	Dhursar Solar Power Private Limited (Formerly known as Dahanu Solar Power Private Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40102MH2000PTC127479	Subsidiary	100	2(87)
30.	Reliance Natural Resources (Singapore) Pte Ltd. 8 Shenton Way, #05-02 AXA Tower, Singapore 068811	N.A.	Subsidiary	100	2(87)
31.	Purthi Hydro Power Private Limited Bharata Sadan, Opp. SBI Zonal Office, Vikas Nagar, Kasumpti, Simla 171 009	U40101HP2011PTC031647	Subsidiary	100	2(87)
32.	Teling Hydro Power Private Limited 7th Floor, B-Wing, Raheja Point – I, Jawaharlal Nehru Nagar, Vakola Market, Santa Cruz (East), Mumbai 400 055	U40101HP2011PTC031650	Subsidiary	100	2(87)
33.	Shangling Hydro Power Private Limited 7th Floor, B-Wing, Raheja Point – I, Jawaharlal Nehru Nagar, Vakola Market, Santa Cruz (East), Mumbai 400 055	U40101HP2011PTC031648	Subsidiary	100	2(87)
34.	Lara Sumta Hydro Power Private Limited 7th Floor, B-Wing, Raheja Point – I, Jawaharlal Nehru Nagar, Vakola Market, Santa Cruz (East), Mumbai 400 055	U40101HP2011PTC031646	Subsidiary	100	2(87)
35.	Sumte Kothang Hydro Power Private Limited 7th Floor, B-Wing, Raheja Point – I, Jawaharlal Nehru Nagar, Vakola Market, Santa Cruz (East), Mumbai 400 055	U40101HP2011PTC031649	Subsidiary	100	2(87)
36.	RPL Surya Power Private Limited (w.e.f. 31.07.2015) 5Q2, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055	U40103MH2015PTC267055	Subsidiary	100	2(87)

**Directors' Report**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% Of Shares Held	Applicable Section
37.	RPL Star Power Private Limited (w.e.f. 08.08.2015) 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055	U40300MH2015PTC267257	Subsidiary	100	2(87)
38.	RPL Sunlight Power Private Limited (w.e.f. 19.08.2015) 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055	U40108MH2015PTC267586	Subsidiary	100	2(87)
39.	RPL Solar Power Private Limited (w.e.f. 28.08.2015)	U40109MH2015PTC267777	Subsidiary	100	2(87)
40.	RPL Aditya Power Private Limited (w.e.f. 26.08.2015) 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055	U40109MH2015PTC267775	Subsidiary	100	2(87)
41.	RPL Solaris Power Private Limited (w.e.f. 07.09.2015) 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055	U40106MH2015PTC268176	Subsidiary	100	2(87)
42.	RPL Sunshine Power Private Limited (Formerly known as Solar Generation Company (Rajasthjan) Private Limited) - (w.e.f. 16.07.2016) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40101MH2010PTC208404	Subsidiary	100	2(87)
43.	Reliance Power Netherlands BV Oranje Nassaulaan, 55-1, 1075 AK Amsterdam, The Netherlands H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	N.A.	Subsidiary	100	2(87)
44.	PT Heramba Coal Resources DBS Bank Tower, 28th Floor, Ciputra World 1, JI, Prof. Dr. Satrio kav. 3-5, Jakarta Selatan	N.A.	Subsidiary	100	2(87)
45.	PT Avaneesh Coal Resources DBS Bank Tower, 28th Floor, Ciputra World 1, JI, Prof. Dr. Satrio kav. 3-5, Jakarta Selatan	N.A.	Subsidiary	100	2(87)
46.	PT Brayan Bintang Tiga Energi DBS Bank Tower, 28th Floor, Ciputra World 1, JI, Prof. Dr. Satrio kav. 3-5, Jakarta Selatan	N.A.	Subsidiary	100	2(87)
47.	PT Sriwijaya Bintang Tiga Energi DBS Bank Tower, 28th Floor, Ciputra World 1, JI, Prof. Dr. Satrio kav. 3-5, Jakarta Selatan	N.A.	Subsidiary	100	2(87)
48.	PT Sumukha Coal Services DBS Bank Tower, 28th Floor, Ciputra World 1, JI, Prof. Dr. Satrio kav. 3-5, Jakarta Selatan	N.A.	Subsidiary	99.60	2(87)

# Reliance Power Limited

## Directors' Report

### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Categorywise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2015)				No. of Shares held at the end of the year (March 31, 2016)				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual / HUF	2212425	-	2212425	0.08	2212425	-	2212425	0.08	-	
b) Central Govt.	-	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corporate	2101182579	-	2101182579	74.91	2101182579	-	2101182579	74.91	-	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub-Total (A)(1):</b>	<b>2103395004</b>	<b>-</b>	<b>2103395004</b>	<b>74.98</b>	<b>2103395004</b>	<b>-</b>	<b>2103395004</b>	<b>74.98</b>	<b>-</b>	
<b>(2) Foreign</b>										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>2103395004</b>	<b>-</b>	<b>2103395004</b>	<b>74.98</b>	<b>2103395004</b>	<b>-</b>	<b>2103395004</b>	<b>74.98</b>	<b>-</b>	
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual Funds / UTI	20794980	99135	20894115	0.75	42852124	94372	42946496	1.54	0.79	
b) Banks / FI	14789612	27410	14817022	0.53	15202690	27410	15230100	0.54	0.01	
c) Central Govt.	173117	210148	383265	0.01	183562	201266	384828	0.01	0.00	
d) State Govt.(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	117650737	718	117651455	4.19	117650737	718	117651455	4.20	0.01	
g) FIIs	149006947	27167	149034114	5.31	117773905	27119	117801024	4.20	-1.11	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-Total (B)(1):</b>	<b>302415393</b>	<b>364578</b>	<b>302779971</b>	<b>10.80</b>	<b>293663018</b>	<b>350885</b>	<b>294013903</b>	<b>10.49</b>	<b>-0.31</b>	
<b>(2) Non-Institutions</b>										
<b>a) Bodies Corporate</b>										
i) Indian	41346451	118881	41465332	1.48	35373119	117814	35490933	1.27	-0.21	
ii) Overseas	24203	7471	31674	0.00	24181	7471	31652	0.00	0.00	
iii) ESOS Trust*	8500000	-	8500000	0.30	-	-	-	-	-0.30	
<b>b) Individuals</b>										
i. Individual shareholders holding nominal sharecapital up to ₹ 1 Lakh.	297408268	7812797	305221065	10.88	302783456	7536747	310320203	11.06	0.72	
ii. Individual shareholders holding nominal sharecapital in excess of ₹ 1 Lakh.	33985369	-	33985369	1.21	43241348	-	43241348	1.54	0.33	
<b>c) Others (specify)</b>										
i) NRIs	8591158	560197	9151355	0.33	8997151	539576	9536727	0.34	0.01	
<b>Sub-Total (B)(2):</b>	<b>389855449</b>	<b>8499346</b>	<b>398354795</b>	<b>14.20</b>	<b>390419255</b>	<b>8201608</b>	<b>398620863</b>	<b>14.21</b>	<b>0.01</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>692270842</b>	<b>8863924</b>	<b>701134766</b>	<b>25.00</b>	<b>684082273</b>	<b>8552493</b>	<b>692634766</b>	<b>24.70</b>	<b>-0.30</b>	
<b>TOTAL (A)+(B)</b>	<b>2795665846</b>	<b>8863924</b>	<b>2804529770</b>	<b>99.98</b>	<b>2787477277</b>	<b>8552493</b>	<b>2796029770</b>	<b>99.68</b>	<b>-0.30</b>	
<b>C. Shares held by Custodian for GDRs</b>	<b>596696</b>	<b>-</b>	<b>596696</b>	<b>0.02</b>	<b>596696</b>	<b>-</b>	<b>596696</b>	<b>0.02</b>	<b>-</b>	
<b>D. ESOS Trust*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8500000</b>	<b>-</b>	<b>8500000</b>	<b>0.30</b>	<b>0.30</b>	
<b>Grand Total (A+B+C+D)</b>	<b>2796262542</b>	<b>8863924</b>	<b>2805126466</b>	<b>100.00</b>	<b>2796573973</b>	<b>8552493</b>	<b>2805126466</b>	<b>100</b>	<b>-</b>	

\* Shares held by ESOS Trust have been shown as Non-Promoter Non-Public as per Listing Regulations w.e.f. December 1, 2015.

Directors' Report

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (April 1, 2015)			Shareholding at the end of the year (March 31, 2016)			% of change in shareholding during the year
	No. of Shares	% of Total Shares of the Company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of shares Pledged / encumbered to total shares	
Reliance Infrastructure Limited	1183998193	42.21	15.82	1211998193	43.21	22.33	1.00
Reliance Project Ventures and Management Private Limited	537387901	19.16	10.25	537387901	19.16	10.61	-
Reliance Infradevelopment Private Limited (Formerly known as AAA International Capital Private Limited)	375552662	13.39	-	347552662	12.39	4.55	-1.00
Reliance Capital Limited	4117823	0.15	-	4117823	0.15	-	-
Kokila D. Ambani	916461	0.03	-	916461	0.03	-	-
Anil D. Ambani	465792	0.02	-	465792	0.02	-	-
Jai Anmol A. Ambani	417439	0.01	-	417439	0.01	-	-
Tina A Ambani	412708	0.01	-	412708	0.01	-	-
REL Utility Engineers Limited	125000	0.00	-	125000	0.00	-	-
Reliance Innoventures Private Limited	1000	0.00	-	1000	0.00	-	-
Jai Anshul A. Ambani	25	0.00	-	25	0.00	-	-
<b>Total</b>	<b>2103395004</b>	<b>74.98</b>	<b>26.07</b>	<b>2103395004</b>	<b>74.98</b>	<b>37.49</b>	<b>-</b>

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year (April 1, 2015)		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Reliance Infrastructure Limited</b>				
At the beginning of the year	<b>1183998193</b>	<b>42.21</b>	1183998193	42.21
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc.)	<b>28000000</b>	<b>1.00</b>	1211998193	43.21
	<b>Transfer*</b>			
At the end of the year	<b>1211998193</b>	<b>43.21</b>	1211998193	43.21
<b>Reliance Infradevelopment Private Limited</b> (Formerly known as AAA International Capital Private Limited)				
At the beginning of the year	<b>375552662</b>	<b>13.39</b>	375552662	13.39
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc.)	<b>(28000000)</b>	<b>(1.00)</b>	347552662	12.39
	<b>Transfer*</b>			
At the end of the year	<b>347552662</b>	<b>12.39</b>	347552662	12.39

\*Inter-se transfer between Reliance Infrastructure Limited and Reliance Infradevelopment Private Limited on December 11, 2015.

# Reliance Power Limited

## Directors' Report

### iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year (April 1, 2015)		Increase / Decrease	Shareholding at the end of the year (March 31, 2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation Of India	113045638	4.03	-	113045638	4.03
2.	Emerging Markets Core Equity Portfolio of Dfa Investment Dimensions Group Inc.	3568258	0.13	3391717	6959975	0.25
3.	Vanguard Funds	15017845	0.54	1239095	16256940	0.58
4.	Kotak Equity Savings Fund	508000	0.02	6848000	7356000	0.26
5.	Dimensional Funds	9831703	0.35	267832	10099535	0.36
6.	Lotus Global Investments Limited	13389480	0.48	(10000)	13379480	0.48
7.	APMS Investment Fund Limited	12002069	0.43	-	12002069	0.43
8.	Reliance Capital Trustee Company Limited-A/C	16305037	0.58	2490835	18795872	0.67
9.	Rpower Trustee Company Private Limited	8500000	0.30	-	8500000	0.30
10.	Cresta Fund Limited	8013547	0.29	-	8013547	0.29
11.	Morgan Stanley Asia (Singapore) Pte.	8376046	0.30	(7832544)	543502	0.02
12.	Copthall Mauritius Investment Limited	7220680	0.26	(7176379)	44301	0.00

**Note:** The datewise increase or decrease in shareholding of the top ten shareholders is available on the 'Investors Information' Section of the website of the Company at [www.reliancepower.co.in](http://www.reliancepower.co.in).

### (v) Shareholding of Directors and Key Managerial Personnel (KMPs)

- Shri Anil D. Ambani, Chairman of the Company held 4,65,792 (0.02%) shares including 1,000 shares jointly with Reliance Project Ventures and Management Private Limited at the beginning and end of the year.
- Shri Sateesh Seth and Smt. Rashna Khan, Directors of the Company held 27 (0%), and 285 (0%) shares respectively at the beginning and end of the year.
- Shri N. Venugopala Rao, who has been appointed as the Chief Executive Officer of the Company by the Board of Directors at its Meeting held on October 13, 2015 held 54 (0%) shares.
- Shri Ashutosh Agarwala, Chief Financial Officer of the Company and Shri Ramaswami Kalidas, Company Secretary and Manager do not hold any shares of the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakhs				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	85820	363829	-	449649
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	162	6698	-	6860
<b>Total (i+ii+iii)</b>	<b>85982</b>	<b>370527</b>	<b>-</b>	<b>456509</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	60732	264332	-	325065
• Reduction	16684	268130	-	284814
Net Change	44048	(3798)	-	40250
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	129856	362661	-	492517
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	174	4068	-	4242
<b>Total (i+ii+iii)</b>	<b>130030</b>	<b>366729</b>	<b>-</b>	<b>496759</b>

Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. no.	Particulars of Remuneration	Shri Ramaswami Kaildas, Company Secretary and Manager
1.	Gross salary	
	(a) Salary as per provisions contained u/s. 17(1) of the Income-tax Act, 1961	69*
	(b) Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary u/s. 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
5.	Others, please specify	-
	<b>Total (A)</b>	<b>69</b>
	Ceiling as per the Act	4445.43

\* Includes component of variable pay.

B. Remuneration to other directors:

(₹ in Lakhs)

Sr no.	Particulars of Remuneration	Name of Director			Total Amount
1.	<b>Independent Directors</b>	<b>Dr. Yogendra Narain</b>	<b>Shri D. J. Kakalia</b>	<b>Smt. Rashna Khan</b>	
(a)	Fees for attending board / committee meetings	8.00	9.20	8.40	25.60
(b)	Commission	-	-	-	-
(c)	Others, please specify	-	-	-	-
	Total (1)	8.00	9.20	8.40	25.60
2.	<b>Other Non-executive Directors</b>	<b>Shri Anil D. Ambani</b>	<b>Shri Sateesh Seth</b>	<b>Dr. V. K. Chaturvedi</b>	
(a)	Fees for attending board / committee meetings	2.00	7.60	9.60	19.20
(b)	Commission	-	-	-	-
(c)	Others, please specify	-	-	-	-
	Total (2)	2.00	7.60	9.60	19.20
	<b>Total (B) = (1+2)</b>				<b>44.80</b>
	Total Managerial Remuneration (A+B)				113.80
	Overall Ceiling as per the Act				4445.43

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

(₹ in Lakhs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri N. Venugopala Rao, Chief Executive Officer (effective from October 13, 2015)	Shri Ashutosh Agarwala, Chief Financial Officer	Shri Ramaswami Kalidas, Company Secretary and Manager	
1.	Gross salary				
(a)	Salary as per provisions contained u/s. 17(1) of the Income-tax Act, 1961	59*	226*	69*	354*
(b)	Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary u/s. 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>59</b>	<b>226</b>	<b>69</b>	<b>354</b>

\* Includes component of variable pay.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences to the Company, Directors and other Officers of the Company during the year ended March 31, 2016.

# Reliance Power Limited

## Directors' Report

### Annexure D

#### Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company does not have a Managing Director or Whole-time Director. It has appointed Chief Executive Officer, Chief Financial Officer, Company Secretary and Manager as on March 31, 2016.

Sr. No.	Requirement	Disclosure												
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Not Applicable. All the directors of the Company are Non Executive Directors and received only sitting fees for attending meetings of the Board and its Committees during the Financial Year 2015-16.												
(ii)	The percentage increase in remuneration of each director, CEO, CFO, Company Secretary or Manager, if any, in the Financial Year.	All the Directors are non-executive directors. The percentage increase in remuneration of CEO who was appointed effective from October 13, 2015, CFO and Company Secretary and Manager was Nil, 4.6 per cent and 16.7 per cent respectively.												
(iii)	The percentage increase in the median remuneration of employees in the Financial Year.	10 per cent												
(iv)	Number of permanent employees on the rolls of the Company.	23												
(v)	The explanation on the relationship between average increase in remuneration and Company's performance.	The average 8.80 per cent increase has been made in the salaries based on Company's performance. In order to ensure that remuneration reflects Company's performance, the variable component in the remuneration of employees is linked to organisation's performance, apart from the individual performance.												
(vi)	Comparison of the remuneration of the key managerial personnel against the performance of the Company (Standalone).	The remuneration paid to the Key Managerial Personnel was consistent with the Company's performance.												
(vii)	Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current and previous financial year.	<table border="1"> <thead> <tr> <th>Date</th> <th>Market Capitalisation (₹ In crore)</th> <th>P/E Ratio in ₹</th> </tr> </thead> <tbody> <tr> <td>31.03.2016</td> <td>13,843</td> <td>34.30</td> </tr> <tr> <td>31.03.2015</td> <td>15,863</td> <td>627.78</td> </tr> <tr> <td>Change</td> <td>-2,020</td> <td>-593.48</td> </tr> </tbody> </table>	Date	Market Capitalisation (₹ In crore)	P/E Ratio in ₹	31.03.2016	13,843	34.30	31.03.2015	15,863	627.78	Change	-2,020	-593.48
Date	Market Capitalisation (₹ In crore)	P/E Ratio in ₹												
31.03.2016	13,843	34.30												
31.03.2015	15,863	627.78												
Change	-2,020	-593.48												
	Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Decrease of 89 per cent against the Initial Public Offer made in February 2008.												
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average increase in the salaries of employees other than the managerial personnel and in the remuneration of Key Managerial Personnel during the financial year 2015-16 was 9.4 per cent and 6.9 per cent respectively.												
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company.	The Profit before Tax for the financial year ended March 31, 2016 increased from ₹ 25.10 crore to ₹ 402.74 crore, whereas the increase in the remuneration of Chief Executive Officer who was appointed effective from October 13, 2015, Chief Financial Officer and Company Secretary was Nil, 4.6 per cent and 16.7 per cent respectively.												
(x)	Key parameters for any variable component of remuneration availed by the Directors.	Not Applicable. All the directors of the Company are Non Executive Directors and received only sitting fees during the year.												
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable.												
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes												

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

**A. Conservation of energy**

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

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

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

Since the project uses the renewable wind energy towards generation of electricity, utilization of no other alternative sources of energy was explored.

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

No additional investment was made for the above purpose.

**B. Technology absorption**

i. The efforts made towards technology absorption; None

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

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

a. the details of technology imported

b. the year of import

c. whether the technology have been fully absorbed

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

iv. the expenditure incurred on Research and Development - Nil.

Wind Turbines installed as part of wind farm are sourced from an Indian entity which in-turn sourced critical components from overseas locations, mainly Europe. No efforts were made to absorb the technology. Similarly, no cost was incurred towards Research and Development.

**C. Foreign Exchange earnings and outgo**

Total Foreign Exchange earnings : ₹ 904 Lakhs

Total Foreign Exchange outgo : ₹ 761 Lakhs

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

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

Committed to transform and nurture the ecosphere through its flagship programme in the healthcare segment, the Company has been focussing on setting up oncology centres for cancer treatment in Maharashtra. Our CSR policy is placed on our website at the link: [http://www.reliancepower.co.in/2015/CSR\\_Policy.pdf](http://www.reliancepower.co.in/2015/CSR_Policy.pdf).

**2. Composition of the CSR Committee:**

Dr. Yogendra Narain, Chairman	(Independent Director)
Shri D. J. Kakalia	(Independent Director)
Shri Sateesh Seth	(Non Independent Non-executive Director)
Dr. V. K. Chaturvedi	(Non Independent Non-executive Director)
Smt. Rashna Khan	(Independent Director)

**3. Average net profit of the Company for last three financial years: ₹ 200.95 Crore**

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

The Company is required to spend ₹ 4.02 Crore towards CSR.

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

- Total amount spent for the financial year : ₹ 4.02 Crore
- Amount unspent, if any : Nil
- Manner in which the amount spent during the financial year is detailed below:

1. Sr. No.	2. CSR Projects or activities identified	3. Sector in which the project is covered	4. Projects or program (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	5. Amount Outlay (Budget) project or programs wise	6. Amount spent on the project or programs (1) Direct expenditure on projects or programs (2) Overheads	7. Cumulative expenditure up to the reporting period	8. Amount spent: Direct or through implementing agency*
1	Setting up Oncology Centre	Health care	Gondia Dist. Maharashtra	25**	4.02	9.89	Through a non-profit centre specialized in the provision of health care
<b>Total</b>				<b>25</b>	<b>4.02</b>	<b>9.89</b>	

\*Under implementation in a phased manner

\*\*approx. being the total cost of setting up one day care centre

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

Not applicable.

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

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

**N. Venugopala Rao**  
Chief Executive Officer  
May 27, 2016

**D. J. Kakalia**  
Chairman of the Meeting of the CSR Committee

## Management Discussion and Analysis

### Forward looking statements

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

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

*The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 ("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.

### Macroeconomic Overview

#### Indian Economic Environment

As per the Central Statistics Organisation (CSO), India has emerged as the fastest growing major economy in the world in 2015-16. The improvement in India's economic fundamentals accelerated in 2015 with the combined impact of strong government reforms like 'Make in India', 'Digital India', 'Smart Cities', 'Skill India' and 'Startup India', as well as, RBI's inflation focus, which was supported by benign global commodity prices. The government's fiscal deficit also improved to 3.9 per cent of the Gross Domestic Product (GDP) in 2015-16 from 4.1 per cent in 2014-15. Fiscal deficit came in at ₹ 5.32 lakh crore for the fiscal year, marginally lower than the revised estimate of ₹ 5.35 lakh crore or 3.9 per cent of the GDP. The revenue deficit was at 2.5 per cent of GDP, better than 2.9 per cent in 2014-15 and 3.2 per cent in 2013-14. The Nikkei / Markit Manufacturing Purchasing Managers' Index (PMI) for March 2016 was reported at 52.4, indicating expansion in Indian manufacturing activity for a third month in a row, as both domestic and foreign demand increased due to lower prices. India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being

ranked at the top during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

#### GDP Growth

India's GDP grew at a five year high of 7.6 per cent in 2015-16, powered by a rebound in farm output, and an improvement in electricity generation and mining production in the fourth quarter of the fiscal. Economic growth was estimated at 7.2 per cent in 2014-15. The growth numbers for the last fiscal, which reinforces India's position as the world's fastest-growing large economy, came on the back of a strong 7.9 per cent growth in the last quarter of the fiscal. The fourth quarter growth comes at a time when China has reported a 6.7 per cent in the March quarter – its slowest growth in about seven years. The farm sector grew by 2.3 per cent from a year ago compared with a 1.0 per cent contraction in the December quarter. Mining grew 8.6 per cent in the March quarter, up from 7.1 per cent in the previous quarter. Electricity, water and gas production growth surged to 9.3 per cent from 5.6 per cent in the December quarter. Going forward, better rainfall and seventh pay commission payouts are likely to remain supportive of consumption.

#### Industrial Production

During 2015-16, the Index of Industrial Production (IIP) grew by 2.4 per cent compared with a growth of 2.8 per cent in 2014-15. In this financial year, manufacturing expanded by 2 per cent, mining by 2.2 per cent and electricity by 5.7 per cent. Although, the government has been pushing for 'Make in India', private sector is yet to commence fresh investment. Despite that, 'Make in India' has resulted in higher Foreign Direct Investment (FDI) inflows and raises hope of faster factory expansion in coming quarters. During 2015-16, the infrastructure sector grew just 2.7 per cent as compared with 4.5 per cent in 2014-15, 4.2 per cent in 2013-14 and 6.5 per cent in 2012-13. Infrastructure is perceived as one of the engines of growth along with manufacturing. While the government has been attracting domestic and foreign firms to step up investment under the 'Make in India' initiative, infrastructure development has remained sluggish.

#### Inflation and Interest Rate

The Consumer Price Index (CPI) inflation averaged to 4.9 per cent in 2015-16 from 5.8 per cent in 2014-15. Soft global commodity prices, especially crude oil, helped ease inflationary pressures in the last fiscal. The Wholesale Price Index (WPI) inflation remained in the deflationary territory, averaging -2.6 per cent compared with -2.3 per cent in 2014-15. While food prices remained elevated during the later part of the year, rural inflation topped that in the urban regions throughout the year. The rural part of the country remained deprived of the subdued commodity and fuel prices on supply side issues and use of traditional fuels sources like firewood etc. While the government has stepped up public capex in the year, the Reserve Bank of India slashed policy lending rate by 150 basis points since January 2015. It has indicated that it would want to wait to see how the monsoon pans out before making further rate cuts.

#### Current Account Deficit (CAD)

India's Current Account Deficit (CAD) fell to \$7.1 billion (1.3 per cent of GDP) in October-December 2015-16 compared with \$7.7 billion (1.5 per cent of GDP) a year ago on substantial decline in merchandise trade deficit even as services trade

# Reliance Power Limited

## Management Discussion and Analysis

surplus shrank. Healthy foreign direct investments into the financial account were adequate to cover CAD which helped in the accrual of foreign exchange reserves. The major contributor to the decline in the trade deficit was crude oil whose deficit reduced to \$12.9 billion from \$19.2 billion in the previous year. Services trade surplus also shrank as exports fell by 4.4 per cent while imports continued to grow.

India's merchandise exports have suffered on account of weak demand from major markets like China, Eurozone and Organisation of Petroleum Exporting Countries. While imports of crude oil is expected to be muted due to lower prices, some uptick in core imports – non-oil, non-gold is anticipated on improved domestic consumption and investment demand.

### Power Sector

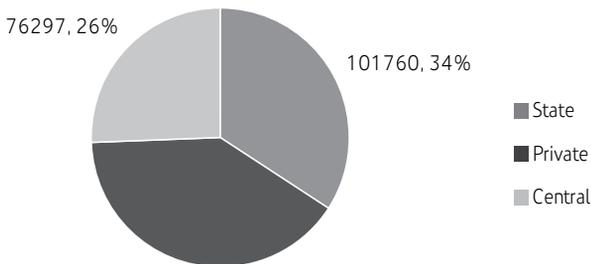
A viable and sustainable Power Sector holds key to socio-economic growth of the country. It is also a critical infrastructure input for success of government's various flagship initiatives like Make in India, Digital India, Skill India, Smart Cities, etc. As is widely acknowledged, there is a very high degree of correlation between power sector growth and economic growth. Electricity consumption is one of the most important indices that decides the development level of nation. Therefore it is imperative that power sector needs to grow for sustainable economic growth. India's per capita power consumption, however stands at much lower level of ~957 kWh/year compared to ~4000 kWh/year for China. India's electricity generation touched the 1.1 trillion units mark during 2015-16 for the first time, registering a growth of 5.6 per cent. Due to huge capacity addition along with higher generation and improved transmission capacity, the electrical energy shortage reduced to 2.1 percent from 3.6 percent during the previous year.

A number of issues have been impacting the sector such as availability of fuel, delays in approvals and clearances, financial condition of distribution companies and others. Some of these issues have eased somewhat with the initiatives taken by the Central Government.

### Installed generation capacity

The total installed power generation capacity of India as on March 31, 2016 was 298 GW, of which over 40 per cent is contributed by the private sector.

### Sector wise generation capacity (in MW) as on March 31, 2016\*

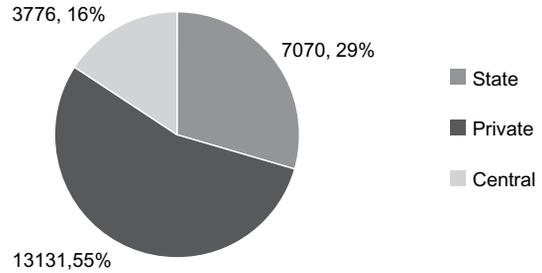


\* Excluding captive generation capacity

Source: CEA

India added generation capacity of 23,977 MW in 2015-16, a 6.3 per cent increase over capacity addition in FY 2014-15. The private sector was the biggest contributor accounting for ~55 percent of the total capacity added in FY 2015-16.

### Sector wise generation capacity added (in MW) in FY 2015-16\*



\* Excluding captive generation capacity Source: CEA

India has been traditionally dependent on thermal power as a source of power generation. Coal-based generation constitutes about 62 per cent and gas-based generation constitutes ~8 per cent of the current capacity. The balance is contributed by hydroelectric power (~14 per cent), nuclear (~2 per cent), and renewable energy (~13 per cent).

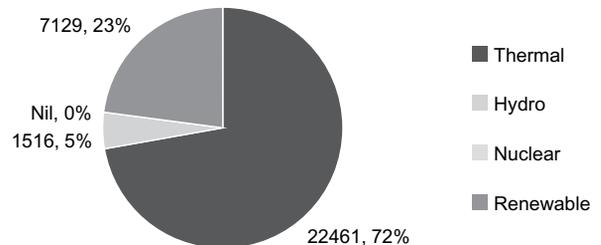
### Fuel wise generation capacity (in MW) as on March 31, 2016\*

Fuel	Installed Capacity (MW)	Share of installed capacity as %
Thermal	210,675	70.6
Coal	185,173	62.1
Gas	24,509	8.2
Diesel	993	0.3
Hydroelectric	42,783	14.4
Nuclear	5,780	2
Renewable energy	38,822	13
<b>Total</b>	<b>298,060</b>	<b>100.0</b>

\* Excluding captive generation capacity

Source: CEA

### Fuel wise generation capacity added (in MW) in FY 2015-16\*



\* Excluding captive generation capacity

Source: CEA

With nearly three-fourth of the capacity added last year coming from coal based projects and with the capacities under construction being biased towards coal based projects, India is expected to continue to remain reliant on coal for achieving its power needs.

### Power generation

The total power generation in India during FY 2015-16 was 1107 billion units, 5.6 per cent higher than FY 2014-15 and was 2.65 per cent lower than the target estimates set for FY 2015-16.

Management Discussion and Analysis

Sector wise power generation performance in FY 2015-16

Sector	Power generation (Billion units)	Percentage share
State sector	345	31
Central sector	409	37
Private sector	348	31
Imported	5.2	1
<b>Total</b>	<b>1107.2</b>	<b>100</b>

Fuel wise power generation performance in FY 2015-16

Fuel	Power generated (BU)	Share in generation as %	Share in generation capacity as %
Thermal	943.4	85	70.6
Hydroelectric	121.3	11	14.4
Nuclear	37.3	3	2
Imported	5.2	1	0
<b>Total</b>	<b>1107.2</b>	<b>100</b>	

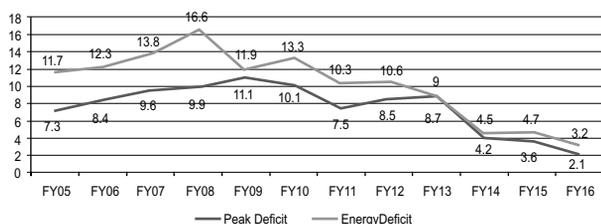
Source: CEA

Power Sector Outlook

Demand and supply outlook

India has been responsible for almost 10 per cent of the increase in global energy demand since 2000. The year 2015-16 turned out to be a better year for the Indian economy with GDP growth rate at 7.6 per cent compared to 7.2 per cent in 2014-15. At this growth rate India is now the fastest growing economy in the world. Energy deficit came down to 2.1 per cent as compared to 3.6 per cent in FY 2014-15 and peak deficit also fell to 3.2 per cent in FY 2015-16. However, with the revival of the economy, demand for power is likely to increase from the current levels. India's power demand is likely to cross 300 GW in the next 10 years. Meeting this demand will require a fivefold to tenfold increase in the pace of capacity addition. The long-term demand outlook for power therefore is quite optimistic. The following table highlights the deficit situation in the last few years:

Power deficit scenario - All India in the period FY 2005-2016 (in %)



Source: CEA

Opportunities and threats

The Government has been taking a number of policy initiatives to reinvigorate flow of investments in power sector.

Some of the measures taken by the Government include boosting domestic coal supply through increased coal production by Coal India, implementation of the scheme to enhance utilization of gas-based generating plants, enhancing inter-regional transmission capacity and implementation of

UDAY scheme to improve financial health of the Distribution Companies (DISCOMs).

Key factors, which will drive demand are strong manufacturing growth with "Make in India Initiative", increase in residential consumption with 24X7 power for all and electrification of all villages.

The Government has also launched an ambitious capacity addition program for clean and green power. India has, as part of its Intended Nationally Determined Contribution (INDC) communicated at Conference of Parties (COP) under UN Framework Convention on Climate Change (UNFCCC), held during the year at Paris, committed itself to achieve about 40 per cent cumulative electric power installed capacity from non-fossil fuel based energy resources by FY 2030. In support of the same, it has showcased its clean and green energy generation capacity target of 175 GW to be achieved by FY 2022 from the current level of 38 GW in March 2016.

The New Tariff Policy issued by the Ministry of Power augurs well for the growth of the sector. The following features in the New Tariff Policy are noteworthy and some of these also mirror Government's thrust on large-scale renewable capacity addition:

- One-time expansion of privately owned existing projects up to 100 per cent of the present capacity, based on regulated tariff;
- Increase in Renewable Purchase Obligation (RPO) of DISCOMs for Solar power, to reach 8 per cent by FY 2022; and
- Coal / lignite based thermal generation stations to be established in future are obligated to generate / procure and supply renewable energy equivalent to such capacity as may be prescribed.

The Ministry of Environment, Forest & Climate Change has notified the revised standards for coal-based Thermal Power Plants in the country, with the primary aim of minimizing environmental impact. The standards have been made stringent for recent plants, compared to earlier ones and most stringent for those plants to be set up in future. These standards are proposed to be implemented in a phased manner.

Key risks and concerns

Power sector is a highly capital intensive business with long gestation periods before commencement of revenue streams. Coal-based power projects have 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 62 per cent of India's generation capacity is coal-based. During the year measures taken by Coal India to augment coal production have started yielding results with total production reaching 596.86 million tonnes, which was 98 per cent of the targeted production for FY 2015-16. Coal dispatch to power sector was 455 million tonnes during the FY 2015-16, up 7 per cent from the previous year. This has, to a large extent, addressed coal shortage faced by power plants and has reduced their dependence on imported coal. Ensuring adequate coal supply would continue to remain the key growth driver for this sector.

### 2. Gas availability position

Natural gas production in the Country has been falling continuously over the last few years. This has seriously impacted the viability of existing as well as upcoming gas based power plants. The Government has implemented a scheme to enhance utilization of gas-based power plants.

### 3. Weak financial condition of electricity DISCOMs

The financial health of electricity DISCOMs is another area of 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 in enhancing and improving distribution networks so that they operate efficiently. This is resulting in high Aggregate Technical and Commercial (AT&C) losses of the utilities. Also, losses of the utilities are mounting with increasing power purchase costs without commensurate increase in tariffs.

Government of India has launched Ujjwal Discom Assurance Yojana (UDAY) for the financial and operational turnaround of state-owned Power DISCOMs. The scheme aims to reduce interest burden, reduce the cost of power, reduce power losses in distribution sector and improve operational efficiencies of DISCOMs. Reduction in cost of power would be achieved through measures such as increased supply of cheaper domestic coal, coal linkages rationalization, liberal coal swaps from inefficient to efficient plants, coal price rationalization based on GCV, supply of washed and crushed coal and faster completion of transmission lines. Operational efficiency improvements through smart metering, upgradation of transformers, meters, etc., demand side management measures like LED bulbs, agricultural pumps, etc., will reduce average AT&C losses. Reduction in interest cost would be achieved by State taking over 75 per cent of DISCOMs' debt as on September 30, 2015 over two years and pay back lenders by selling bonds. For the remaining 25 per cent dues, DISCOMs have been allowed to issue bonds. With the improvement in the financial health of state DISCOMs, the counter party risks for banks will also come down.

### 4. Execution risk

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

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

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

- ▶ Delays leading to time over-runs
- ▶ Increase in project costs leading to cost over-runs
- ▶ Challenges in transportation/logistics of equipment

- ▶ Hydrological and geological risks in case of hydroelectric projects

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

### Internal control systems and their adequacy

The Company has put in place internal control systems and processes commensurate with its size and scale of operations. An Enterprise Resource Planning System developed by SAP has been implemented in the Company. The system has control processes designed to take care of various control and audit requirements. In addition, the Company has a robust Internal Audit process, which oversees the implementation and adherence to various systems and processes and preparation of Financial Statements as per Generally Accepted Principles and Practices. The internal audit team is supported by reputed audit firms to undertake the exercise of Internal Audit at various project locations. The report of the Internal Auditors is placed at the Audit Committee Meetings of the Board.

Reliance Power has also put in place a Risk Management Framework, both at the corporate as well as at the project level, which provides a process of identifying, assessing, monitoring, reporting and mitigating various risks at all levels at periodic intervals. The Risk Management process is supervised by the Risk Management Committee of the Board. The above Committee was constituted in line with the requirements of Clause 49 of the listing agreement with Stock Exchanges which has since been substituted by the Listing Regulations. The committee undertakes a review of the risks as well as the status of the mitigation plans periodically.

### Discussion on Operations of the Company

The Company is in the business of setting up and operating power projects and development of coal mines associated with such projects. The Company has built a large portfolio of power projects and coal mines. Reliance Power's vision is to become one of the largest integrated power generation and coal resources company. Of the power projects, which the Company is developing, some are operational while the other power projects are under various stages of development.

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

The 3,960 MW Sasan Ultra Mega Power Project (UMPP) is fully operational. The last of the 3,300 MW of the project was commissioned in a record time of fourteen months. The project also has associated coal mines and coal production from these mines has already commenced. The power generated from Sasan UMPP is sold to fourteen DISCOMs in seven states under the Long-term Power Purchase Agreement (PPA). In its very first full year of operations, the project delivered best-in-class performance among peers by operating at a Plant Load Factor (PLF) of 90 per cent and producing 17.02 MTPA coal.

#### ii. 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 its fourth year of operations, the plant generated 7,060 million units

Management Discussion and Analysis

of electricity. The entire electricity generated from the project is sold to Uttar Pradesh on a regulated tariff basis.

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

The 600 MW Butibori power plant in Nagpur, Maharashtra generated 4,022 million units of electricity and is supplying power under the Long Term Power Purchase Agreement approved by Maharashtra Electricity Regulatory Commission (MERC).

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

Reliance Power has set up a 45 MW Wind farm in Sangli district of Maharashtra. During FY 2015-16 the project generated 79.3 million units of electricity.

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

Dhursar Solar Power has set up a 40 MW Solar PV Plant in Jaisalmer district of Rajasthan. Electricity from this project is sold under a PPA for a period of 25 years. During FY 2015-16, the project generated 68 million units of electricity.

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

Rajasthan Sun Technique Energy Private Limited (RSTEPL), a wholly-owned subsidiary, has commissioned the 100 MW Concentrated Solar Power Project (CSP) in Jaisalmer, Rajasthan in the financial year 2014-15. The project achieved peak load of 111 MW during the year.

**vii. 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 envisaging sale of power to 11 Procurers comprising 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 raised a dispute. The procurers on the other hand have initiated the process for terminating the PPA. The Company has referred the dispute regarding validity of termination notice issued by the procurers to the Indian Council of Arbitration. The Company has also approached Hon'ble Delhi High Court for interim injunction against the Procurers from taking any steps in furtherance to their notice of termination and the matter is sub judice. In parallel, the matter is being pursued with Procurers for an amicable resolution.

**viii. 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 in Madhya Pradesh. The Company intends to sell the power generated from this project through long-term contracts.

**ix. Tilaiya Ultra Mega Power Project, a 3,960 MW coal based project, located in Jharkhand**

The Company has issued a notice for terminating the PPA upon the Power Procurers on account of their failure to fulfil the conditions subsequent as per the PPA entered

into by the Company with them. Procurers have accepted the termination notice and decided to acquire Jharkhand Integrated Power Limited, the subsidiary project company.

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

The Company is implementing the 2,400 MW Samalkot project in Andhra Pradesh. The Project, originally expected to be commissioned on domestic gas is still awaiting allocation of gas from the government. Considering the recent fall in crude oil and Liquefied Natural Gas (LNG) prices, the company is looking at the opportunity to commence generation on regasified LNG, subject to availability of long-term power off-take arrangements. The company is also exploring options for relocating part of the project to other countries. In this context, pursuant to a Memorandum of Understanding signed with Bangladesh Power Development Board (BPDB), the company is in the process of setting up a 3000 MW capacity power project in Bangladesh in phases together with a Floating Storage and Regasification Unit (FSRU) based LNG terminal. Recently, Government of Bangladesh has given in-principle approval for setting up of first phase of ~750 MW at Meghnaghat, together with the FSRU based LNG terminal at Maheshkhali. The Company is currently negotiating project agreements for this project in Bangladesh. In view of these developments, the company proposes to implement the remaining two modules of 1508 MW (754MW X 2) either at existing site at Samalkot or at Bangladesh or a combination at any other location.

**xi. 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 significant milestones and are likely to be developed in the next few years.

**Coal Mines**

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

During the year, Government of India cancelled the allocation of Chhatrasal Coal Block to Sasan Power Limited and restricted annual coal production from Moher and Moher Amlohri Extension coal mine to 16 million tonnes. This quantity has subsequently been enhanced to 17.20 million tonnes for the year 2015-16. The Company has challenged the above decisions in Hon'ble High Court of Delhi by way of Writ Petitions, which are pending.

The Company has also acquired coal mine concessions in Indonesia and is in the process of unlocking value of these assets.

**Coal Bed Methane (CBM) Blocks**

The Company has stakes in four Coal Bed Methane (CBM) blocks. Drilling work in exploration phase has been completed in one of the CBM blocks (Sohagpur).

# Reliance Power Limited

## Management Discussion and Analysis

### Clean Development Mechanism (CDM)

Clean Development Mechanism (CDM) encouraged project developers, in the developing countries, to adopt environment-friendly technologies and/or fuels so that the Greenhouse Gas (GHG) emissions can be reduced. Such reduced GHG emissions will enable the developers of those projects to generate Certified Emission Reductions (CERs) and abate GHG emissions in a cost-effective manner.

The Company has successfully registered its projects which use Super-Critical technology, Wind project at Vashpet, Solar Photo-Voltaic (PV) and Concentrated Solar Power (CSP) projects at Dhursar with CDM Executive Board.

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

The Company attaches utmost importance to safety standards at all its installations. Necessary steps are regularly undertaken to ensure the safety of employees and equipment. Both external and internal safety audits are regularly conducted. Mock drills are conducted to gauge emergency and crisis management preparedness. The Board has also constituted a committee comprising of Independent Directors to have oversight on these issues and to monitor and report to the Board actions being taken in this regard.

The Company as a responsible corporate citizen is conscious of its responsibility to the society and to the environment. The Company has made significant difference to the lives of the people that live in the vicinity of our project sites. Provision of free education, pension to the aged and dependent, sanitation and hygiene, health care and provision of vocational training and self employment schemes are some of the significant initiatives taken by the Company at its project locations. In line with the requirements of the Companies Act, 2013, a CSR Committee has been constituted by the Board to, *inter alia*, formulate the CSR policy as also to monitor the progress of the several initiatives taken in this area.

### Human Resources

The Company has been successfully building up its Human Resources for the implementation and operations of its large power capacity addition program. The Company currently has nearly 1900 professionals. Teams are put in place both at Corporate Office and in all the project locations. To set the highest benchmarks of operational excellence, Reliance Power also has engaged Expatriates who are subject matter experts in critical areas like coal mining Safety, Maintenance, etc. The Company has a rich blend of millennial and experienced personnel. A seamless transfer of knowledge to the younger generation is encouraged to help them shape as future leaders. The Company also has Graduate Engineer Trainee program and Junior Executive Trainee program under which Graduate Engineers and Diploma Engineers are recruited and trained for working in Power Plants and Coal Mines. The selection process involves academic and technical screening of the candidates followed by personal interviews. The Company has simulators at various Power Plant and Coal Mine locations, where training is being provided. To improve the technical competency of the young professionals, they are sent overseas at regular intervals for OEM training programs.

### Discussion on Financial Condition and Financial Performance

#### Financial Condition

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

Company	Project
Rosa Power Supply Company Limited	Rosa Stage I and Stage II
Vidarbha Industries Power Limited	Butibori
Sasan Power Limited	Sasan UMPP
Chitrangi Power Private Limited	Chitrangi
Siyom Hydro Power Private Limited	Siyom
Tato Hydro Power Private Limited	Tato II
Samalkot Power Limited	Samalkot
Rajasthan Sun Technique Energy Private Limited	Solar CSP
Dhursar Solar Power Private Limited	Solar PV

An extract of the Consolidated Balance Sheet is placed below:

Particulars	₹ in lakhs)	
	March 31, 2016	March 31, 2015
Shareholders' Fund	2,090,773	2,063,350
Long Term Borrowings	2,915,938	2,822,055
Other Non Current Liabilities	229,846	309,579
Current Liabilities	1,063,784	1,007,603
<b>Total</b>	<b>6,300,341</b>	<b>6,202,587</b>
Fixed Assets	4,913,189	4,916,429
Long term loans and Advances	283,972	312,431
Other Non Current Assets	27,009	158,694
Current Investments	86,257	86,092
Other Current Assets	989,914	728,941
<b>Total</b>	<b>6,300,341</b>	<b>6,202,587</b>

Long term borrowings have increased to ₹ 29,159.38 crore from ₹ 28,220.55 crore in the previous year.

Current investments were at ₹ 862.57 crore in FY16 end as compared to ₹ 860.92 crore in FY15 end.

### Financial Performance

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

Particulars	₹ in lakhs)	
	2015-16	2014-15
Income		
Revenue from operations	1,067,013	6,90,342
Other Income	36,837	29,858
<b>Total</b>	<b>1,103,850</b>	<b>720,200</b>
Expenditure		
Cost of Fuel consumed	465,078	398,251
Other Operating Expenditure	1,715	2,621
Employee Benefit Expenses	16,741	6,559
General, Administration & Other Expenses	100,462	24,342
Depreciation / Amortization	105,648	52,371
Finance Cost	257,651	107,420
<b>Total</b>	<b>947,295</b>	<b>591,564</b>
<b>PBT</b>	<b>156,555</b>	<b>128,636</b>
Taxes	20,361	25,804
<b>PAT</b>	<b>136,194</b>	<b>102,832</b>
<b>EPS (₹) (basic and diluted)</b>	<b>4.86</b>	<b>3.68</b>

Corporate Governance Report

**Corporate governance philosophy**

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

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

**B. Code of ethics**

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

**C. Business policies**

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, 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 posts of Chairman and CEO.

**E. Prohibition of insider trading policy**

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

**F. Policy on prevention of sexual harassment**

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

**G. Whistle blower policy/vigil mechanism**

Our Whistle Blower policy 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.

We confirm that no personnel has been denied access to the Audit Committee.

**H. Environment and Corporate Social Responsibility**

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

**I. Risk management**

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

**J. Boardroom practices**

**a. Chairman**

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

**b. Board charter**

The 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 Committees, etc.

**c. Board committees**

Pursuant to the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act"), Clause 49 of the Listing Agreement and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), the Board has constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee and the Employees Stock Options Scheme (ESOS) Compensation Committee. The Board rotates the Chairman of these Committees periodically.

**d. Selection of independent directors**

Considering the requirement of skill sets on the Board, eminent persons having independent standing in their respective fields/professions, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment as Independent Directors on the Board. The Committee, *inter alia*, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decisions.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets with the criteria of independence as provided under the statute.

**e. Tenure of independent directors**

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Act and the Listing Regulations.

### f. Independent directors' interaction with stakeholders

Member(s) of the Stakeholders Relationship Committee interact with the stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

### g. Lead independent director

The Board has appointed Shri D. J. Kakalia, as the lead Independent Director.

### h. Familiarization of the 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, the macro Industry business environment, business strategy and risks involved. 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 programs for members are also carried out on relevant statutory changes and on important issues impacting the Company's business environment.

The details of the programmes for familiarisation of independent directors have been put up on the website of the Company at the link: [http://www.reliancepower.co.in/2015/Familiarisation\\_Policy.pdf](http://www.reliancepower.co.in/2015/Familiarisation_Policy.pdf).

### i. 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 it 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 they may deem fit.

### j. Subsidiaries

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

### k. 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. Role of the Company Secretary in Governance Process

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

### L. Independent Statutory Auditors

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

M/s. Price Waterhouse, Chartered Accountants

M/s. Chaturvedi & Shah, Chartered Accountants

### M. Compliance with the code and rules of Luxembourg Stock Exchange

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

### N. Compliance with the Listing Regulations

The Company is fully compliant with the corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

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

#### I. Board of Directors

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

As on March 31, 2016, the Board consisted of 6 members. The composition and category of Directors on the Board of the Company was as under:

Category	Names of Directors and DIN
Promoter, Non-Executive and Non-Independent Director	Shri Anil Dhirubhai Ambani, Chairman (DIN: 00004878)
Non-Executive and Non-Independent Directors	Shri Sateesh Seth (DIN: 00004631) Dr. V. K. Chaturvedi (DIN: 01802454)
Independent Directors	Dr. Yogendra Narain (DIN: 01871111) Shri D. J. Kakalia (DIN: 00029159) Smt. Rashna Khan (DIN: 06928148)

Corporate Governance Report

**Notes:**

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

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

**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 Board. The Board holds a minimum of four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

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

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the long term interests of the Company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

- g. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

**3. Board meetings**

The Board held eight meetings during the financial year 2015-16 on the following dates:

April 28, 2015, May 26, 2015, August 11, 2015, October 13, 2015, November 3, 2015, November 9, 2015, January 19, 2016 and March 18, 2016.

The maximum time gap between any two meetings during the year under review was 76 days and the minimum gap was 5 days.

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

**4. Secretarial Standards issued by ICSI**

Pursuant to the provisions of Section 118(10) of the Act, compliance with secretarial standards relating to General and Board meetings specified by the Institute of Company Secretaries of India (ICSI), as approved by the Central Government have become mandatory from July 1, 2015. The Company is adhering to the standards issued by the ICSI.

**5. Attendance of directors**

Attendance of the directors at the Board Meetings held during the financial year 2015-16 and the last Annual General Meeting (AGM) and the details of directorships (calculated as per provisions of Sections 165 of the Act), Committee Chairmanships and the Committee Memberships, held by the directors as on March 31, 2016 were as under:

Name of Director	Number of Board Meetings attended out of 8 meetings held	Attendance at the last AGM held on September 30, 2015	No. of directorships (including RPower)	Committee(s) position (including RPower)	
				Member	Chairman
Shri Anil Dhirubhai Ambani	5	Present	12	1	Nil
Dr. Yogendra Narain	7	Present	2	3	3
Dr. V. K. Chaturvedi	8	Present	2	2	Nil
Shri D. J. Kakalia	8	Present	5	5	1
Shri Sateesh Seth	7	Present	8	3	Nil
Smt. Rashna Khan	7	Present	3	3	1

### Notes:

- a. None of the directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
- b. No director holds membership of more than 10 committees of board, nor, is a Chairman of more than 5 committees across board of all listed entities.
- c. No independent director of the Company holds the position of independent director in more than 7 listed companies as required under Listing Regulations.
- d. The information provided above pertains to the following committees in accordance with the provisions of Listing Regulations: (i) Audit Committee, and (ii) Stakeholders Relationship Committee.
- e. The Committee memberships and chairmanships above excludes memberships and chairmanships in private companies, foreign companies and Section 8 companies.
- f. Memberships of Committees includes chairmanships, if any.

The Company's independent directors meet atleast once in every Financial Year without the attendance of Non-Independent Directors and Management Personnel. A meeting of Independent Directors was held on January 19, 2016.

### 6. Details of directors

Brief resumes of all directors is furnished hereunder:

**Shri Anil D. Ambani**, 57 years, is the Chairman of our Company, Reliance Capital Limited, Reliance Infrastructure Limited, Reliance Communications Limited and Reliance Defence and Engineering Limited. He is also a director of Reliance Defence Limited. He is the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat. He is a member of Stakeholders Relationship Committee of Reliance Communications Limited.

With a master's degree from the Wharton School of the University of Pennsylvania, Shri Ambani is credited with having spearheaded the Reliance Group's first forays into the overseas capital markets with international public offerings of global depository receipts, convertibles and bonds. Shri Ambani has been associated with a number of prestigious academic institutions in India and abroad:

- Member of Wharton Board of Overseers, the Wharton School, U.S.A.
- Member of the Presidents Global Counsel, New York University, U.S.A.
- Member of Advisory Board of Warwick Business School, UK
- One of the Founders of Indian School of Business (ISB), Hyderabad. ISB has established formal partnership with International Business Schools-Wharton and Kellogg.

The Prime Minister of India has nominated Shri Ambani as the Co-Chair from the Indian side of the India-China CEO Forum, Member of the US-India CEO Forum, Member of the Indo-French CEO Forum, Member of the India-Canada CEO Forum and Member of Indo-Russia CEO Forum.

Shri Anil D. Ambani holds 4,65,792 shares in the Company including 1,000 shares jointly with Reliance Project Ventures and Management Private Limited as on March 31, 2016.

**Shri Sateesh Seth**, 61 years, is a Fellow Chartered Accountant and a law graduate. He has vast experience in general management. Shri Sateesh Seth is also on the Board of Reliance Telecom Limited, Reliance Infrastructure Limited, Reliance Anil Dhirubhai Ambani Group Limited, Reliance Defence and Aerospace Private Limited, Reliance Defence Systems Private Limited, Reliance Defence Technologies Private Limited and Reliance Defence Limited.

He is a Member of the Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Employees Stock Option Scheme (ESOS) Compensation Committee of the Company. He is a member of the Audit Committee of Reliance Telecom Limited.

Shri Sateesh Seth holds 27 shares in the Company as on March 31, 2016.

**Dr. Yogendra Narain**, 74 years, is a former Secretary-General, Rajya Sabha - the Upper House of the Parliament of India.

Dr. Yogendra Narain retired from the Indian Administrative Service after serving for over 42 years. He has worked in various capacities in 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; 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 Chairman of Audit Committee, the Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Company. He is a Member of the Nomination and Remuneration Committee and Employees Stock Option Scheme (ESOS) Compensation Committee of the Company. He is also Chairman of Sasan Power Limited a Material Unlisted Indian Subsidiary of the Company. He is also the Chairman of the Audit Committee in the said Company.

Dr. Narain has been appointed as an Independent Director for a period of two consecutive years by the shareholders through postal ballot on September 27, 2014, effective from the said date. It is proposed to appoint Dr. Narain at the ensuing AGM for a second term of one more year.

Dr. Narain does not hold any shares in the Company as of March 31, 2016.

**Dr. V. K. Chaturvedi**, 73 years, 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

## Corporate Governance Report

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' in the year 2001, one of India's highest civilian awards. He is also a recipient of number of other prizes and awards.

He is presently Member of Stakeholders Relationship Committee, Employees Stock Option Scheme (ESOS) Compensation Committee, Risk Management Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee of the Company. He is also a Director in Reliance Infrastructure Limited and a Member of the said Company's Stakeholders Relationship Committee.

It is proposed to appoint Dr. V. K. Chaturvedi as a Director liable to retire by rotation at the ensuing AGM of the members.

Dr. Chaturvedi does not hold any shares in the Company as of March 31, 2016.

**Shri D. J. Kakalia**, 67 years, is a Commerce and Law Graduate from the University of Bombay. He was enrolled as an Advocate of the Bombay High Court in 1973 and qualified as a Solicitor from Bombay in 1976. He also qualified as a Solicitor of the Supreme Court of England in 1982.

He is a partner of Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors.

He commenced his practice as a commercial Lawyer having built an extensive transaction practice and court practice having a wide background in corporate commercial matters, setting up of Joint Ventures, Mergers and Acquisitions, ADRs and GDRs as well as real estate transactions and disputes and litigations related to these sectors and areas of practice and has also extensive experience in the power sector.

He specializes in power sector litigation and Projects, acting for large Power Companies and has advised consortium for the bids with respect to the 4,000 MW Ultra Mega Power Projects that have been proposed by the Power Finance Corporation of India. He regularly appears before the MERC, the Bombay High Court and in the Supreme Court of India with respect to various litigations in relation to disputes including in the power sector.

He was a Lecturer in law at K. C. Law College (University of Bombay) and was also appointed as an examiner by the University of Bombay.

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

He is a Member of the Audit Committee, the Stakeholders Relationship Committee, Risk Management Committee, Employees Stock Option Scheme (ESOS) Compensation Committee and Corporate Social Responsibility Committee of the Company. He is the Chairman of the Nomination and Remuneration Committee of the Company. He is also a Member of the Audit Committee of Aditya Birla Finance Limited, Member of Stakeholders Relationship Committee of Reliance Broadcast Network Limited and Chairman of

Audit Committee of Rosa Power Supply Company Limited.

Shri D. J. Kakalia has been appointed as an Independent Director of the Company for a period of three consecutive years by the shareholders through postal ballot on September 27, 2014 effective from the said date.

Shri Kakalia does not hold any shares in the Company as of March 31, 2016.

**Smt. Rashna Khan**, 53 years, a Law graduate from Government Law College Mumbai (University of Bombay) and qualified as a Solicitor with the Bombay Incorporated Law Society and Law Society London.

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

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

She is a Member of the Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee and Employees Stock Option Scheme (ESOS) Compensation Committee of the Company.

She is also on the Board of The Supreme Industries Limited. She is also Chairperson of Vidarbha Industries Power Limited, a Material Unlisted Indian Subsidiary of the Company as well the Chairperson of Audit Committee of the said company.

She was appointed as an Independent Director for a period of three consecutive years by the shareholders of the Company through postal ballot resolution passed on September 27, 2014, effective from the said date.

She holds 285 shares in the Company as of March 31, 2016.

### 7. Insurance Coverage

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

### II. Audit Committee

In terms of Listing Regulations as well as Section 177 of the Act, the Company has an Audit Committee. During the financial year 2015-16, the Audit Committee consisted of the following persons:

- a) Dr. Yogendra Narain, Chairman
- b) Dr. V. K. Chaturvedi (Up to January 19, 2016)
- c) Shri D. J. Kakalia
- d) Shri Sateesh Seth
- e) Smt. Rashna Khan

The Audit Committee is chaired by Dr. Yogendra Narain. 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 and risk management can be improved. The minutes of the meetings of the Audit Committee are placed before the Board.

Pursuant to the provisions of the Act and the Listing Regulations, the Board has approved the terms of reference of the Audit Committee as under;

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by them;
4. Reviewing with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement forming a part of the Boards' report in terms of clause (c) of sub section 3 of Section 134 of the Act.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinion(s) in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the board for approval;
6. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer documents / 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 these matters;
7. Review and monitor the auditors' independence and performance and effectiveness of audit process;
8. Review on quarterly basis, of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8 above);
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management, the performance of statutory and internal auditors, adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is also authorised to:

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

### Attendance at the meetings of the Audit Committee held during 2015-16

The Audit Committee held its meetings on May 26, 2015, August 11, 2015, November 3, 2015, November 9, 2015 and January 19, 2016. The maximum gap between any two meetings was 83 days and the minimum gap was 5 days.

Corporate Governance Report

Members	Meetings held during the FY	Meetings attended
Dr. Yogendra Narain, Chairman	5	4
Dr. V. K. Chaturvedi	5	5
Shri D. J. Kakalia	5	5
Shri Sateesh Seth	5	5
Smt. Rashna Khan	5	4

Dr. Yogendra Narain is the Chairman of the Audit Committee. He was present at the last Annual General Meeting.

The Committee considered at its meetings all the issues as per its terms of reference at periodic intervals.

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

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

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

The Committee also discussed the Company's Audited financial statement, the rationality of significant judgments and the clarity of disclosures in the financial statement. Based on the review and discussions carried out with the Management and the auditors, the Committee believes that the Company's financial statements have been presented in conformity with the prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal control systems put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are recorded in accordance with the prevailing laws and regulations. In carrying out such reviews, the Committee has not found any material discrepancy or weakness in the internal control systems. The Committee has also reviewed the financial policies of the Company and has expressed its satisfaction with the same. Upon review, the Committee has also expressed its satisfaction as regards the independence of both the statutory and internal auditors.

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

**III. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board comprises of Shri D. J. Kakalia, Dr. V. K. Chaturvedi, Dr. Yogendra Narain, Shri Sateesh Seth and Smt. Rashna Khan. Shri D. J. Kakalia is the Chairman of the Committee.

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

The terms of reference of the committee are in accordance with provisions of the Companies Act 2013 and the Listing Regulations.

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

- Formulating the criteria for determining the qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees. At present, the Company does not have an executive Director on its Board.
- formulation of criteria for evaluation of performance of independent directors and the board of directors.
- To identify persons who are qualified to become Directors and who may be appointed to the Senior Management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
- To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To devise a policy on board diversity.

The Chairman of the Committee was present at the last AGM to answer the shareholders queries.

The Committee met once during the financial year on October 13, 2015.

Name	Meeting held during the FY	Meeting Attended
Shri D. J. Kakalia	1	1
Dr. Yogendra Narain	1	1
Dr. V. K. Chaturvedi	1	1
Shri Sateesh Seth	1	1
Smt. Rashna Khan	1	1

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 Directors during the financial year 2015-16**

(₹ in lakhs)		
Name	Position	Sitting Fees
Shri Anil D. Ambani	Chairman	2.00
Dr. Yogendra Narain	Director	8.00
Dr. V. K. Chaturvedi	Director	9.60
Shri D. J. Kakalia	Director	9.20
Shri Sateesh Seth	Director	7.60
Smt. Rashna Khan	Director	8.40

Notes:

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

### IV. Stakeholders Relationship Committee

In accordance with the requirements of Listing Regulations and provisions of the Act, the Company has constituted Stakeholders Relationship Committee to resolve the grievances of all stakeholders of the Company and to perform other tasks.

The Stakeholders Relationship Committee comprises of Dr. Yogendra Narain as Chairman, Dr. V. K. Chaturvedi, Shri D. J. Kakalia, Shri Sateesh Seth and Smt. Rashna Khan as Members.

During the year, the Stakeholders Relationship Committee held its meetings on May 25, 2015, August 10, 2015, November 3, 2015 and January 19, 2016. The maximum gap between any two meetings was 84 days and the minimum gap was 76 days.

#### Attendance of members at the meeting of the Stakeholders Relationship Committee held during FY 2015-16:

Members	Meetings held during the FY	Meetings attended
Dr. Yogendra Narain	4	3
Dr. V. K. Chaturvedi	4	4
Shri D. J. Kakalia	4	3
Shri Sateesh Seth	4	4
Smt. Rashna Khan	4	4

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

The Chairman of the Committee was present at the last AGM.

### V. Compliance Officer

Shri Ramaswami Kalidas, the Company Secretary is the Compliance Officer for complying with the requirements of various provisions of the laws and regulations impacting the Company's business including Listing Regulations and the Listing Agreements executed with the Stock Exchanges.

### VI. Employees Stock Option Scheme (ESOS) Compensation Committee

The ESOS Compensation Committee comprises of the following directors:

1. Dr. Yogendra Narain
2. Shri D. J. Kakalia
3. Dr. V. K. Chaturvedi
4. Shri Sateesh Seth
5. Smt. Rashna Khan

Dr. Yogendra Narain is the Chairman of the Committee. The Committee has not met during the financial year under review.

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

#### 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 Plan, 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, which was in compliance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### VII Corporate Social Responsibility (CSR) Committee

The Committee comprises of the following Directors:

1. Dr. Yogendra Narain
2. Dr. V. K. Chaturvedi
3. Shri D. J. Kakalia
4. Shri Sateesh Seth
5. Smt. Rashna Khan

Dr. Yogendra Narain is the Chairman of the Committee.

Pursuant to Section 135 of the Companies Act, 2013, the Committee has formulated and recommended to the Board the CSR policy indicating the activities to be undertaken. It has also recommended the amount of expenditure to be incurred by way of CSR initiatives. The CSR policy is also monitored by the Committee from time to time.

The Committee held two meetings during the year on August 10, 2015 and January 19, 2016. The meetings were attended by all the Members of the Committee.

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

### VIII Risk Management Committee:

The Risk Management Committee comprises of the following Members:

1. Dr. Yogendra Narain Chairman
2. Shri D. J. Kakalia Director
3. Dr. V. K. Chaturvedi Director
4. Smt. Rashna Khan Director
5. Shri Ashutosh Agarwala Chief Financial Officer, and
6. Shri Shrikant D. Kulkarni President
7. Shri N. Venugopala Rao Chief Executive Officer

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

The functions and terms of reference of the Committee have been realigned as per the requirements of the Companies Act, 2013 and Listing Regulations to cover the *inter-alia* the following areas:

- a. Identification of the risks impacting the projects of the Company and projects being implemented through its subsidiaries set up as Special Purpose Vehicles (SPVs);
- b. Evaluation of the risks in terms of their impact and probability of occurrence;
- c. To report on the business risks identified, covering the risks mitigated, risks which have aggravated and new risks which have been identified on a periodic basis;
- d. To oversee and approve the risk management policy, internal compliances and control procedures; and
- e. To provide guidance to the Board on the Company's risk management policies.

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During the year, the Risk Management Committee held its meetings on May 25, 2015, August 10, 2015, November 03, 2015 and January 19, 2016. The maximum time gap between any two meetings was 84 days and the minimum gap was 76 days.

**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 (through electronic voting and Physical Ballot)
2014-15	September 30, 2015 - 4.15 P.M.	Yes a. Private Placement of Non-Convertible Debentures b. Issue of Securities to Qualified Institutional Buyers
2013-14	September 30, 2014 - 2.00 P.M.	No
2012-13	August 27, 2013 - 2.00 P.M.	Yes Issue of equity shares to Qualified Institutional Buyers

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

**X. Postal Ballot**

The Company had not conducted any business through Postal Ballot during the financial year 2015-16. None of the businesses proposed to be transacted at 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 Financial Express, english newspaper circulating in substantially the whole of India and in Navshakti, Marathi vernacular newspaper and are also posted on the Company's website www.reliancepower.co.in.
- b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- c. **Website:** The Company's website contains a separate dedicated section 'Investor Information'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in an user friendly manner. The basic information about the Company as called for in terms of Listing Regulations is provided on the Company's website and the same is updated regularly.

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

As the Companies Act, 2013 read with the Rules thereunder and the Listing Regulations facilitate the service of documents to members through electronic means, the Company e-mails the soft copies of the Annual Report to all those Members whose e-mail IDs are available with its Registrar and Transfer Agent.

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

The NEAPS is web based system designed by NSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate announcements, media releases, financial results, etc. are filed electronically on NEAPS.

- f. **BSE Corporate Compliance and Listing Centre (the "Listing Centre")**

The Listing Centre is a web based application designed by BSE for corporates.

The Shareholding Pattern, Corporate Governance Report, Corporate announcements, media releases, financial results, etc. are filed electronically on the Listing Centre.

- g. **Unique Investor helpdesk:** Exclusively for investor servicing, the Company has set up a unique investor Help Desk with multiple access modes as under:

Toll free no. (India) : 1800 4250 999  
Telephone no. : +91 40 6716 1500  
Fax no. : +91 40 6716 1791  
E-mail : rpower@karvy.com

- h. **Designated e-mail id:** The Company has also designated the e-mail id reliancepower.investors@relianceada.com exclusively for investor servicing.

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

The investors' complaints are also being processed through the centralized web 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.

**XII. Management Discussion and Analysis**

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

**XIII. Subsidiaries**

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

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

- (a) The minutes of the meetings of the Boards of the subsidiary companies are periodically placed before the Company's Board.
- (b) Financial statement, 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 unlisted subsidiary companies is placed before the Audit Committee / Board.
- (d) Quarterly review of Risk Management process is made by the Risk Management Committee / Audit Committee / Board.

One of the Independent Directors is nominated to the Board of the subsidiaries incorporated in India as and when a subsidiary becomes an "unlisted material subsidiary" within the meaning of the above expression in accordance with Regulation 24 of the Listing Regulations. Keeping in view the above requirement, the Independent Directors of the Company have been appointed on the Boards of "unlisted material subsidiary" viz. Dr. Yogendra Narain on the Board of Sasan Power Limited, Shri D. J. Kakalia, on the Board of Rosa Power Supply Company Limited and Smt. Rashna Khan, on the Board of Vidarbha Industries Power Limited.

#### XIV. Disclosures

- a. There has been no non-compliance by the Company on any matter relating to the capital markets in the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other Statutory Authority.
- b. **Related party transactions**  
During the financial year 2015-16, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The related party transactions are disclosed in 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. **Code of conduct**  
The Company has adopted the code of conduct and ethics for directors and senior management.  
The code has been circulated to all the members of the Board and senior management personnel and the same has been posted on the Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in). The Board members and the members of the senior management have affirmed their compliance with the code and a declaration

signed by the Chief Executive Officer of the Company appointed in terms of the Companies Act, 2013, is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel of the Company affirmation that they have complied with the Code of Conduct for directors and senior management for the year 2015-16."

**N. Venugopala Rao**  
Chief Executive Officer

#### e. **CEO and CFO Certification**

Shri N. Venugopala Rao, Chief Executive Officer and Ashutosh Agarwala, Chief Financial Officer of the Company, have given certification on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

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

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2016 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

#### XV. Policy on insider trading

The Company has formulated the Reliance Power Limited – Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosure of Unpublished Price Sensitive Information (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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 securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the Company's website.

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

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

#### i) **Unclaimed Shares Suspense Accounts – IPO and Bonus Issue**

The members may note that the Company has received claims from Shareholders for direct transfer of Unclaimed equity shares to their respective demat Accounts and that the same have been transferred to the demat accounts of the respective shareholders Accounts for the year ended March 31, 2016, as under:

Corporate Governance Report

Particulars	No. of Shareholders	No. of Shares
i. Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2015	5,732	1,49,745
ii. Number of undelivered folios and shares transferred to Unclaimed Suspense Account during the year 2015-16.	0	0
iii. Number of shareholders who approached issuer for transfer of shares from suspense account during the financial year 2015-16	33	867
iv. Number of shareholders to whom shares were transferred from suspense account during the financial year 2015-16	33	867
v. Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2016	5,699	1,48,878

**ii) Unclaimed Shares Suspense Account – Arising out of the Composite Scheme of Arrangement between Reliance Natural Resources Limited and Reliance Power Limited & 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, 2015	89,101	9,91,824
ii. Number of undelivered folios and shares transferred to Unclaimed Suspense Account during the year 2015-16.	0	0
iii. Number of shareholders who approached issuer for transfer of shares from suspense account during the financial year 2015-16	401	12,455
iv. Number of shareholders to whom shares were transferred from suspense account during the year 2015-16	401	12,455
v. Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2016	88,700	9,79,369

The voting rights on the shares outstanding in the Suspense Accounts as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

Wherever shareholders have claimed the shares, after proper verification, the share certificates were dispatched to them or the shares have been credited to the respective beneficiary account.

**XVII. Compliance with non-mandatory requirements**

**1. The Board**

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

**2. Audit Qualifications**

There are no audit qualifications on the financial statement of the Company for the year 2015-16.

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

The Board has appointed Shri N. Venugopala Rao as CEO of the Company. Thus, the Company maintains separately the posts of Chairman and CEO.

**4. Reporting of Internal Auditor**

The internal auditor reports directly to the Audit Committee of the Company.

**XVIII. General shareholder information**

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

**Auditor's certificate on corporate governance**

The Auditor's certificate on compliance of Regulation 34(3) of Listing Regulations 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 expectation of all our stakeholders.

# Reliance Power Limited

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## Auditors' Certificate regarding compliance of conditions of Corporate Governance

### Auditors' Certificate regarding compliance of conditions of Corporate Governance

To

The Members of Reliance Power Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Power Limited ('the Company'), for the year ended March 31, 2016 as stipulated in Clause 49 of the Listing agreement ('Listing Agreement') of the Company with stock exchange for the period April 01, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Listing Regulations for the period December 01, 2015 to March 31, 2016 (collectively referred to as "SEBI Listing Agreement/ Listing Regulations").

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, 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 SEBI Listing Agreement/Listing Regulations.

We 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: 301112E  
Chartered Accountants

**For Chaturvedi & Shah**

Firm Regn. No: 101720W  
Chartered Accountants

**Uday Shah**

Partner  
Membership No. 46061

**Vijay Napawaliya**

Partner  
Membership No. 109859

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

## Investor Information

### IMPORTANT POINTS

#### Hold Securities in Dematerialised Form

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

- A safe and convenient way to hold securities;
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address 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 holding in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

#### Register for SMS alert Facility

Investors should register with Depository Participants for the SMS alert facility. Both 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 held in dematerialised form.

Form may be downloaded from the Company's website, [www.reliancepower.co.in](http://www.reliancepower.co.in) under the section "Investor Information". However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

#### Deal only with SEBI Registered Intermediaries

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

#### Corporate Benefits in Electronic Form

Investors holding shares in physical form should opt for corporate benefits like split, bonus, etc. in electronic form by providing their demat account details to Company's Registrar and Transfer Agent (RTA).

#### Register e-mail address

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

#### Course of action in case of non-receipt of interim dividend, revalidation of dividend warrant, etc.

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, quoting the folio number/DP Id and Client Id particulars (in case of dematerialised shares). On expiry of the validity period, if the dividend warrant still appears as unpaid on the records of the Company, duplicate warrant will be issued. The Company's RTA would request the concerned shareholder to execute an indemnity bond before issuing the duplicate warrant. However, duplicate warrants will not be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed. Shareholders are requested to note that they have to wait till the expiry of the validity of the original warrant before a duplicate warrant is issued to them, since the dividend warrants are payable at par at several centres across the country and banks do not accept 'stop payment' instructions on the said warrants.

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

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

#### Annual General Meeting

The 22<sup>nd</sup> Annual General Meeting (AGM) will be held on Tuesday, September 27, 2016 at 4.00 P.M. or soon after the conclusion of the annual general meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

#### Book closure dates for the purpose of AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 17, 2016 to Tuesday, September 27, 2016, (both days inclusive) for the purpose of AGM.

#### E-voting

The Members can cast their votes online from 10:00 A.M. on September 24, 2016 to 5:00 P.M. on September 26, 2016.

#### Financial Year of the Company

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

#### Website

The Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in) contains a separate dedicated section called 'Investor Information'. It contains comprehensive data base of information of interest

# Reliance Power Limited

## Investor Information

to our investors including the financial results, annual reports, dividend declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

### Dedicated e-mail ID for investors

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

### Registrar and Transfer Agent (RTA)

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

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

### Unclaimed Amounts on company's IPO

In accordance with the provisions of Section 205C of the Companies Act, 1956 the Company has deposited the unclaimed amount with the Investor Education and Protection Fund (IEPF) maintained by the Central Government. Therefore, Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid.

### 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.

### Unclaimed fractional warrants - Composite Scheme of Arrangement

The Company had issued to the shareholders of Reliance Natural Resources Limited fractional warrants against the sale proceeds arising out of the consolidation and disposal of their fractional entitlements consequent upon the Composite Scheme of Arrangement between Reliance Natural Resources

Limited ('RNRL') and Reliance Power Limited ('the Company' or 'RPower') and others, as approved by the Hon'ble High Court of Judicature at Bombay, vide its order dated October 15, 2010. 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.

### Unclaimed Interim Dividend to be transferred to the Investor Education and Protection Fund (IEPF)

The Company has declared interim dividend for the financial year 2015-16. Members who have not so far encashed their dividend warrants or have not received the dividend warrants are requested to seek issuance of duplicate dividend 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 to receive dividend, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) in due time.

The Company shall upload the details of unpaid and unclaimed dividend on the website of the Company in terms of the requirements of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012 in due time. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

### Share Transfer System

Shareholders / investors are requested to send share certificate(s) along with the share transfer deed in the prescribed Form SH 4 duly filled in, executed and affixed with the share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days from the date of receipt of transfer documents by Company's RTA.

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

SEBI has stated that for securities market transactions and off-market transactions involving transfer of securities 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.

## Investor Information

### Shareholding Pattern

Category of Shareholders	As on March 31, 2016		As on March 31, 2015	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of Promoter and Promoter Group				
i. Indian	2103395004	74.98	2103395004	74.98
ii. Foreign	-	-	-	-
<b>Total shareholding of Promoter and Promoter Group</b>	<b>2103395004</b>	<b>74.98</b>	<b>2103395004</b>	<b>74.98</b>
(B) Public shareholding				
i. Institutions	294013903	10.48	302779971	10.80
ii. Non-institutions	398620863	14.22	398354795	14.20
<b>Total Public Shareholding</b>	<b>692634766</b>	<b>24.70</b>	<b>701134766</b>	<b>25.00</b>
(C) Shares held by Custodian against which depository receipts have been issued	596696	0.02	596696	0.02
(D) ESOS Trust*	8500000	0.30	0	0
<b>Grand Total (A)+(B)+(C)+(D)</b>	<b>2805126466</b>	<b>100.00</b>	<b>2805126466</b>	<b>100.00</b>

\* Shares held by ESOS Trust have been shown as Non-Promoter Non-Public as per Listing Regulations w.e.f. December 1, 2015.

### Distribution of Shareholding

Number of Shares	Number of shareholders as on March 31, 2016		Total equity Shares as on March 31, 2016		Number of Shareholders as on March 31, 2015		Total equity Shares as on March 31, 2015	
	Number	%	Number	%	Number	%	Number	%
Up to 500	3562790	97.21	178131805	6.35	3715687	97.45	184510195	6.57
501 to 5000	96456	2.63	119053445	4.24	91897	2.41	111239681	3.97
5001 to 100000	5582	0.15	74025971	2.64	4844	0.13	65874592	2.35
Above 100000	240	0.01	2433915245	86.77	239	0.01	2443501998	87.11
<b>Total</b>	<b>3665068</b>	<b>100.00</b>	<b>2805126466</b>	<b>100.00</b>	<b>3812667</b>	<b>100.00</b>	<b>2805126466</b>	<b>100.00</b>

### Dematerialisation of shares and Liquidity

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

### Status of Dematerialisation of Shares

As on March 31, 2016, 99.70 per cent of the Company's equity Shares are held in dematerialised form.

### Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2015-16	2014-15	2015-16	2014-15	March 31, 2016	March 31, 2015
Securities and Exchange Board of India	12	29	12	29	Nil	Nil
Stock Exchanges	6	21	6	21	Nil	Nil
NSDL/CDSL	0	0	0	0	Nil	Nil
Other (ROC)	1	2	1	2	Nil	Nil
Direct from investors	45	90	45	90	Nil	Nil
<b>Total</b>	<b>64</b>	<b>142</b>	<b>64</b>	<b>142</b>	<b>Nil</b>	<b>Nil</b>

# Reliance Power Limited

## Investor Information

### Analysis of Grievances

Particulars	2015-16		2014-15	
	Number	%	Number	%
Non receipt of Refund Orders / Credit of Shares	2	3.13	0	0.00
Non receipt of Share Certificate	0	0.00	1	0.70
Non receipt of Refund Orders	29	45.31	66	46.48
Non Credit of Shares / Others	12	18.75	34	23.94
Non Credit of Bonus Shares / Others	1	1.56	2	1.41
Non receipt of fractional warrants	6	9.38	17	11.97
Non receipt of Annual Report	13	20.31	21	14.79
Non receipt of dividend warrant	1	1.56	1	0.70
<b>Total</b>	<b>64</b>	<b>100.00</b>	<b>142</b>	<b>100.00</b>

No complaints were pending as on March 31, 2016.

#### Notes:

- The shareholder base was 36,65,068 as of March 31, 2016 and 38,12,667 as of March 31, 2015.
- 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 0.0017 percent of the total number of members as of March 31, 2016.

#### Legal proceedings

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

#### Equity Capital Build-up

Dates	Particulars of issue	No. of shares	Cumulative	Nominal value
		(in '000)	No. of shares (in '000)	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 price and volume

2015 - 16	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
April, 2015	62.80	55.30	20406054	62.75	55.15	71884914
May, 2015	60.85	52.05	20319946	60.90	52.05	80343174
June, 2015	53.45	41.25	33364540	53.50	41.25	129132249
July, 2015	46.95	40.30	23569010	46.95	40.30	94566628
August, 2015	45.65	33.05	27162218	45.70	33.10	105544482
September, 2015	43.50	34.00	21119710	43.55	34.00	91244147
October, 2015	52.65	43.05	25426381	52.70	43.00	104695183
November, 2015	53.55	46.25	26803831	53.50	46.30	121919321
December, 2015	58.95	47.45	55008052	59.40	47.40	127501106
January, 2016	61.40	46.75	42457015	61.25	46.65	211820259
February, 2016	51.10	40.35	26157759	51.10	40.35	114369314
March, 2016	49.85	44.30	18292329	49.95	44.35	85409470

**Investor Information**

**Stock Exchange listings**

1. **The Company's equity shares are actively traded on BSE and NSE, the Indian Stock Exchanges.**

**Listing on stock exchanges**

**Equity Shares**

**BSE Limited**

Phiroz Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001  
Website : www.bseindia.com

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No, C/1, G Block  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051  
Website : www.nseindia.com

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

Luxembourg Stock Exchange  
Societe de la Bourse de Luxembourg  
35A Boulevard Joseph II, L-1840  
Luxembourg  
Website : www.bourse.lu

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**

	<b>ISIN</b>	<b>CUSIP</b>	<b>Common Code</b>
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.in

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

Outstanding GDRs as on March 31, 2016 represent 5,96,696 equity shares constituting 0.02 per cent of the paid up equity share capital of the Company. Each GDR represents one underlying equity share in the Company.

# Reliance Power Limited

## Investor Information

### 4. Debt Securities

Following Debt Securities are listed on the Wholesale Debt Market (WDM) segment of NSE and BSE.

Debentures	ISIN	Date of Allotment	Date of Maturity	Total Size (₹ in crore)
Series I 10.20% Listed Rated Unsecured Redeemable Non-convertible Debentures	INE614G08053	July 20, 2015	July 18, 2016	150
Series II 11.50% Listed Rated Secured Redeemable Non-convertible Debentures	INE614G07014	March 22, 2016	March 17, 2017	250

### Debenture Trustee

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

### Payment of Listing Fees

Annual listing fees for the financial year 2015-16 has been paid by the Company to the Stock Exchanges.

### An Index Scrip

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

#### BSE

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

#### NSE

Nifty 100, Nift 200, Nifty 500, Nifty Midcap 150, Nifty midcap50, Nifty full midcap100, Nifty freefloat midcap100, Nifty midsmallcap 400, Nifty Infrastructure, Nifty Midcap Liquid 15, Nifty500 Industry Indices.

### Share Price Performance in comparison with broad based indices - Sensex (BSE) and Nifty (NSE) as on March 31, 2016.

Period	RPower (%)	Sensex (%)	Nifty (%)
FY 2015-16	-12.57	-9.36	-8.86
2 years	-30.08	13.20	15.43
3 years	-19.74	34.54	36.18

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

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

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

**Investor Information****Key financial reporting dates for the financial year 2016-17**

Unaudited results for the First Quarter ending June 30, 2016	: On or before August 14, 2016
Unaudited results for the Second Quarter and half year ending September 30, 2016	: On or before November 14, 2016
Unaudited results for the Third Quarter ending December 31, 2016	: On or before February 14, 2017
Audited results for the Financial Year 2016-17	: On or before May 30, 2017

**Depository Services**

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, A Wing, 4<sup>th</sup> and 5<sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: [www.nsdl.co.in](http://www.nsdl.co.in) or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street, Mumbai 400023, website: [www.cdsindia.com](http://www.cdsindia.com).

**Communication to Members**

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarters except last quarter during the year under review. The Audited Accounts of the Company were 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: [www.reliancepower.co.in](http://www.reliancepower.co.in). 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 report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid up capital. The said certificate, duly certified by a qualified chartered accountant/ company secretary is submitted to the stock exchanges where the securities of the Company are listed within 30 days from the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

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

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

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

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

The Company Secretary  
Reliance Power Limited  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
Tel. No. : +91 22 3303 1000  
Fax No. : +91 22 3303 3662  
E-mail : [reliancepower.investors@relianceada.com](mailto:reliancepower.investors@relianceada.com)

# Reliance Power Limited

## Investor Information

### Plant Locations

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

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

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.

# FINANCIAL STATEMENT

# Reliance Power Limited

## Independent Auditors' Report

### To the Members of Reliance Power Limited

#### Report on the abridged standalone financial statements

1. The accompanying abridged standalone financial statements of Reliance Power Limited (the "Company") comprise the abridged Balance Sheet as at March 31, 2016, 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 standalone financial statements are derived from the standalone audited financial statements of the Company for the year ended March 31, 2016 prepared by the Company's Management in accordance with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 covered by our attached report of even date to the Members of the company pursuant to section 143 of the Act, in which we have expressed an unmodified audit opinion.
3. The abridged standalone financial statements do not contain all the disclosures required by the Accounting Standards referred to in specified under section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and schedule III to the Act, applied in the preparation and presentation of the audited standalone financial statements of the Company. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

#### Management's Responsibility for the Abridged Standalone Financial Statements

4. The Company's Management is responsible for the preparation of the abridged standalone financial statements in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 (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 standalone financial statements that are consistent with the audited standalone 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 standalone 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 standalone financial statements, are consistent, in all material respects, with the audited standalone financial statements of the Company as at and for the year ended March 31, 2016 prepared in accordance with Schedule III to the Act, covered by our attached report of even date to the Members of the Company pursuant to section 143 of the Act, in accordance with the Rules.

### Emphasis of Matter

8. We draw attention to;
  - (i) Note 10 (a) of the abridged standalone financial statement regarding accounting treatment prescribed in the Scheme of Amalgamation approved by the Honorable High Court of Bombay on April 5, 2013 ("The Scheme 1") with Appointed Date as January 1, 2013. The Scheme 1 permits the Company to adjust expenses and/ or losses identified by the Board of Directors as exceptional or extraordinary, which are required to be debited to the Statement of Profit and Loss with a corresponding withdrawal from General Reserve from Appointed Date till March 31, 2016. The said adjustments are considered to be an override to the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. During the year, the Board of the Company has identified certain expenditure incurred in relation to Tilaiya Ultra Mega Power Project amounting to ₹ 13,186 lacs and provision for diminution in the value of equity investment made in Coastal Andhra Power Limited amounting to ₹ 52,500 lacs as exceptional in nature and accordingly, has adjusted these expenditure and provision by corresponding withdrawal from General Reserve.
  - (ii) Note 10(b) of the abridged standalone financial statements regarding accounting treatment prescribed in the Composite Scheme of Arrangement approved by the Honorable High Court of Bombay

on October 15, 2010 ("The Scheme 2") with Appointed Date as October 15, 2010. The Scheme 2 permits the Company to adjust expenses and/ or losses identified by the Board of Directors as beyond the control of the Company, which are required to be debited to the Statement of Profit and Loss with a corresponding withdrawal from General Reserve. The said adjustments are considered to be an override to the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. During the year, the Board of the Company has identified write down in the value of advances made to a trust for Employee Stock Option Scheme (ESOS) amounting to ₹ 9,801 lacs which is beyond the control of the Company and accordingly, has adjusted the provision by corresponding withdrawal from General Reserve (arisen pursuant to Composite Scheme of Arrangement).

Had such write offs / down and provisions as mentioned in (i) and (ii) above not been met from the above referred General Reserve, the Company's loss before tax for the year ended March 31, 2016 would have been ₹ 350,73 lacs.

Our opinion on abridged standalone financial statements is not modified in respect of the above said matters.

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

**Uday Shah**  
Partner  
Membership No: 46061

Place: Mumbai  
Date: May 27, 2016

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Place: Mumbai  
Date: May 27, 2016

# Reliance Power Limited

## Independent Auditors' Report

### To the Members of Reliance Power Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Reliance Power Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view,

in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

9. We draw attention to:

(i) Note 10 (a) of the standalone financial statement regarding accounting treatment prescribed in the Scheme of Amalgamation approved by the Honorable High Court of Bombay on April 5, 2013 ("The Scheme 1") with Appointed Date as January 1, 2013. The Scheme 1 permits the Company to adjust expenses and/ or losses identified by the Board of Directors as exceptional or extraordinary, which are required to be debited to the Statement of Profit and Loss with a corresponding withdrawal from General Reserve from Appointed Date till March 31, 2016. The said adjustments are considered to be an override to the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. During the year, the Board of the Company has identified certain expenditure incurred in relation to Tilaiya Ultra Mega Power Project amounting to ₹ 13,186 lacs and provision for diminution in the value of equity investments made in Coastal Andhra Power Limited amounting to ₹ 52,500 lacs as exceptional in nature and accordingly, has adjusted these expenditure and provision by corresponding withdrawal from General Reserve.

(ii) Note 10(b) of the standalone financial statements regarding accounting treatment prescribed in the Composite Scheme of Arrangement approved by the Honorable High Court of Bombay on October 15, 2010 ("The Scheme 2") with Appointed Date as October 15, 2010. The Scheme 2 permits the Company to adjust expenses and/ or losses identified by the Board of Directors as beyond the control of the Company, which are required to be debited to the Statement of Profit and Loss with a corresponding withdrawal from General Reserve. The said adjustments are considered to be an override to the relevant provisions of Accounting

**Independent Auditors' Report**

Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. During the year, the Board of the Company has identified write down in the value of advances made to a trust for Employee Stock Option Scheme (ESOS) amounting to ₹ 9,801 lacs which is beyond the control of the Company and accordingly, has adjusted the provision by corresponding withdrawal from General Reserve (arisen pursuant to Composite Scheme of Arrangement).

Had such write offs / write down and provisions as mentioned in (i) and (ii) above not been met from the above referred General Reserve, the Company's loss before tax for the year ended March 31, 2016 would have been ₹ 35,073 lacs.

Our opinion is not modified in respect of the above said matters.

**Report on Other Legal and Regulatory Requirements**

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and in terms of the information and explanations sought by us and given by the Company and the books and the records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comment in the Annexure B, as required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 4 and 8.
  - ii. The Company has long-term contracts but no derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

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

**Uday Shah**  
Partner  
Membership No: 46061

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Place: Mumbai  
Date: May 27, 2016

Place: Mumbai  
Date: May 27, 2016

# Reliance Power Limited

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Reliance Power Limited on the standalone financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Reliance Power Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For Price Waterhouse

Firm Regn. No: 301112E  
Chartered Accountants

### Uday Shah

Partner  
Membership No: 46061

Place: Mumbai  
Date: May 27, 2016

### For Chaturvedi & Shah

Firm Regn. No: 101720W  
Chartered Accountants

### Vijay Napawaliya

Partner  
Membership No: 109859

Place: Mumbai  
Date: May 27, 2016

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Reliance Power Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and records examined by us, the title deeds of freehold land are in the name of erstwhile company i.e. Reliance Clean Power Limited which has merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to scheme of amalgamation approved by Honorable High Court, with an appointed date of April 1, 2012.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to its director or any other person in whom director is interested. As the Company is engaged in providing infrastructure facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion and according to information and explanations given to us, the Company has complied with the provisions sub-section (1) of section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales tax, income tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2016 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the Balance Sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer during the year under audit. The Company has raised moneys through debt instruments and term loans during the year, which, on an overall basis have been applied for the purposes for which they were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company, as legally advised, is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company. (Also refer note 11 of the standalone financial statements).

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

**Uday Shah**  
Partner  
Membership No: 46061

Place: Mumbai  
Date: May 27, 2016

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Place: Mumbai  
Date: May 27, 2016

# Reliance Power Limited

## Abridged Balance Sheet as at March 31, 2016

(Statement containing salient features of Balance Sheet as per Section 136 (1) and Rule 10 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013.)

Particulars	As at March 31, 2016 Rupees in lakhs	As at March 31, 2015 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	59,995
(iii) Securities premium account	1,105,454	1,104,823
(iv) General reserve	-	9,423
(v) General reserve (arisen pursuant to various schemes)	143,393	153,194
(vi) Debenture redemption reserve	2,798	3,420
(vii) Foreign currency monetary item translation difference account	27,857	28,384
(viii) Surplus in the Statement of Profit and Loss	12,977	56,406
	<b>1,634,945</b>	1,698,116
<b>(2) Non-current liabilities</b>		
(a) Long-term borrowings	82,082	63,147
(b) Deferred tax liabilities	139	-
(c) Long-term provisions	218	257
	<b>82,439</b>	63,404
<b>(3) Current liabilities</b>		
(a) Short-term borrowings	408,661	384,829
(b) Trade payables	2,282	1,972
(c) Other current liabilities	7,454	11,050
(d) Short-term provisions	42	78
	<b>418,439</b>	397,929
<b>Total of (1) to (3)</b>	<b>2,135,823</b>	2,159,449
<b>II Assets</b>		
<b>(4) Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	31,276	32,090
(ii) Intangible assets (Original cost less depreciation/amortisation)	170	121
(b) Non-current investments (Unquoted)	1,682,205	1,888,306
(c) Long-term loans and advances	87,160	38,189
(d) Other non-current assets	18,918	14,081
	<b>1,819,729</b>	1,972,787
<b>(5) Current assets</b>		
(a) Current investments (Unquoted)	1,004	-
(b) Trade receivables	2,139	5,382
(c) Bank balances	23,017	2,331
(d) Short-term loans and advances	279,737	156,646
(e) Other current assets	10,197	22,303
	<b>316,094</b>	186,662
<b>Total of (4) to (5)</b>	<b>2,135,823</b>	2,159,449

The accompanying 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 III to the Companies Act, 2013 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 27, 2016.

As per our attached report of even date

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

**Uday Shah**  
Partner  
Membership No: 46061

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

For and on behalf of the Board of Directors

**Anil D Ambani** Chairman

**Dr. V K Chaturvedi**  
**D J Kakalia**  
**Rashna Khan** } Director

**N. Venugopala Rao** Chief Executive Officer

**Ashutosh Agarwala** Chief Financial Officer

**Ramaswami Kalidas** Company Secretary

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

## Abridged Statement of Profit and Loss for the year ended March 31, 2016

(Statement containing salient features of Statement of Profit and Loss as per Section 136 (1) and Rule 10 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013.)

Particulars	Year ended March 31, 2016 Rupees in lakhs	Year ended March 31, 2015 Rupees in lakhs
<b>Income</b>		
<b>Revenue from operations:</b>		
<b>Sales</b>		
Sale of energy	4,622	4,522
Sale of coal	-	3,768
<b>Other Operating income</b>		
Service income	2,929	5,330
Generation Based Incentive	987	-
<b>Net revenue from operations</b>	<b>8,538</b>	13,620
<b>Other Income:</b>		
Dividend	28,901	1,095
Interest income	8,115	13,807
Net gain on sale / accrual of income on investments	12,240	480
Gain on foreign exchange fluctuations (net)	10,926	7,918
Provision written back	19	-
Gain on sale of assets	3	-
Other non-operating income	42	12
<b>Other Income</b>	<b>60,246</b>	23,312
<b>Total Income</b>	<b>68,784</b>	36,932
<b>Expenditure</b>		
Purchase of coal	-	3,768
Employee benefits expense	1,772	3,632
Finance costs	16,204	18,976
Depreciation and amortisation expenses	1,711	1,987
Administration and other expenses	8,684	5,737
<b>Total Expenditure</b>	<b>28,371</b>	34,100
<b>Profit before exceptional items and tax</b>	<b>40,413</b>	2,832
<b>Exceptional items</b>		
Pre-operative expenditure pertaining to Tilaiya Ultra Mega Power Project (TUMPP) written off	13,186	-
Provision for diminution in the value of investments in Coastal Andhra Power Limited	52,500	-
Less : Equivalent amount withdrawn from General reserve (Refer note 10(a))	65,686	-
Written down in the value of advances given to Employee Stock Option Scheme Trust	9,801	-
Less : Equivalent amount withdrawn from General reserve (arisen pursuant to the Composite Scheme of Arrangement) (Refer note 10(b))	9,801	-
<b>Profit before taxation</b>	<b>40,413</b>	2,832
<b>Tax expense:</b>		
Current tax	-	550
Deferred tax	139	-
Excess provision of earlier years written back	-	(228)
<b>Profit for the year</b>	<b>40,274</b>	2,510
Earnings per equity share: (Face value of ₹ 10 each)		
Basic and Diluted (Rupees)	<b>1.44</b>	0.09

The accompanying 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 27, 2016

As per our attached report of even date

**For Price Waterhouse**

Firm Registration No: 301112 E  
Chartered Accountants

**Uday Shah**

Partner  
Membership No: 46061

**For Chaturvedi & Shah**

Firm Registration No: 101720 W  
Chartered Accountants

**Vijay Napawaliya**

Partner  
Membership No: 109859

For and on behalf of the Board of Directors

**Anil D Ambani**

Chairman

**Dr. V K Chaturvedi**

**D J Kakalia**  
**Rashna Khan**

} Director

**N. Venugopala Rao**

Chief Executive Officer

**Ashutosh Agarwala**

Chief Financial Officer

**Ramaswami Kalidas**

Company Secretary

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

# Reliance Power Limited

## Notes to the Abridged financial statements as of and for the year ended March 31, 2016

	Year ended March 31, 2016 Rupees in lakhs	Year ended March 31, 2015 Rupees in lakhs
Cash flows (used in) operating activities	(2,655)	(5,381)
Cash flows from/(used in) investing activities	28,520	(106,633)
Cash flows from/(used in) financing activities	(4,783)	59,677
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>21,082</b>	<b>(52,337)</b>
<b>Opening Balance of cash and cash equivalents</b>		
- Balance in current account	1,177	3,583
- Balance in fixed deposit	-	50,000
<b>Cash and cash equivalents acquired:</b>		
- Cash and bank balance with ESOS Trust	-	(69)
<b>Closing balance of cash and cash equivalents</b>		
- Balance in current account	22,259	1,177

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

The accompanying 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 27, 2016.

As per our attached report of even date

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

**Uday Shah**  
Partner  
Membership No: 46061

Place : Mumbai  
Date : May 27, 2016

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Place : Mumbai  
Date : May 27, 2016

For and on behalf of the Board of Directors

**Anil D Ambani** Chairman

**Dr. V K Chaturvedi**  
**D J Kakalia**  
**Rashna Khan** } Director

**N. Venugopala Rao** Chief Executive Officer

**Ashutosh Agarwala** Chief Financial Officer

**Ramaswami Kalidas** Company Secretary

Place : Mumbai  
Date : May 27, 2016

**Notes to the Abridged financial statements as of and for the year ended March 31, 2016**

**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 ultra mega power projects (UMPP).

**2) Abridged financial statements**

The abridged financial statements have been prepared pursuant to Section 136 (1) and Rule 10 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 and are based on the annual financial statements for the year ended March 31, 2016 approved by the Board of Directors at their meeting held on May 27, 2016.

**3) (Note 2 of notes to financial statements)**

**Significant accounting policies:**

**(a) Basis of accounting**

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the relevant provisions of the Companies Act, 2013 (The "Act") and the Accounting Standards notified under the Act. The Financial Statements are prepared on accrual basis under the historical cost convention.

**(b) Use of estimates**

The preparation and presentation of Financial Statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on the date of the Financial Statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

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

Tangible assets are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use. Subsequent expenditure related to an item of Tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standards of performance.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

**(d) Intangible assets:**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustment arising from exchange rate variation attributable to the intangible assets.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under capital work-in-progress.

**(e) Impairment of assets**

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

**(f) Depreciation / Amortisation:**

**(i) Tangible assets:**

Depreciation on Tangible Assets is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in case of motor vehicles where the estimated useful life has been considered as five years based on a technical evaluation by the management.

**(ii) Intangible assets:**

Software expenses are amortised on a straight line basis over a period of three years.

### (g) Investments

Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined of value of long-term investments and made for each investment individually. Current investments are valued at lower of cost and fair value.

### (h) Provisions, Contingent Liabilities and Contingent Assets:

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

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

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made as specified in Accounting Standard 29 – "Provisions, Contingent Liability and Contingent Assets".

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

### (i) Borrowing costs

Borrowing costs include costs that are ancillary and required as per the terms of agreement. Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### (j) Foreign currency transactions:

- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items other than derivative contracts at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:
  - Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
  - In other cases, foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortised over the balance period of such long term asset / liabilities.
  - An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment/settlement as defined under the respective agreement/memorandum of understanding.
- (iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

### (k) Revenue recognition:

- (i) Revenue from sale of energy of 45 MW wind power project at Vashpet is recognised on an accrual basis in accordance with the provisions of Power Purchase Agreement (PPA) / sale arrangements read with the regulations of Maharashtra Electricity Regulatory Commission.
- (ii) Revenue from sale of goods is recognised when significant risk and reward of ownership is transferred to the buyer as per the terms of contract.
- (iii) Income on Generation based incentive is accounted on accrual basis considering eligibility for project for availing the incentive.
- (iv) Service income represents income from support services recognised as per the terms of the service agreements entered into with the respective parties.
- (v) 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.
- (vi) Dividend income from subsidiaries is recognised when the Company has established right to receive the same on or before the Balance Sheet date.

**(l) Employee benefits:**

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme and Leave Encashment.

(i) Defined contribution plans:

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

(ii) Defined Benefit Plans:

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

(iii) Short term/ long term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss / Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

**(m) Employee stock option scheme (ESOS)**

The employees of the Company and its subsidiaries 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" as prescribed by the Guidance Note on Employee share based payments issued by The Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. 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 recognizes compensation cost on the basis of estimated number of stock options expected to vest. Subsequently, if there are any indications resulting in a difference in the number of stock options expected to vest, the Company revises its previous estimate and accordingly recognizes/ (reverses) compensation cost on employee service.

**(n) Accounting for taxes on income**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**(o) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(p) Earnings per share**

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**(q) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(r) 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.

# Reliance Power Limited

## Notes to the Abridged financial statements as of and for the year ended March 31, 2016

### 4) Contingent liabilities and commitments

- (a) Guarantees issued for subsidiary companies aggregating to ₹ 266,128 lakhs (Previous year ₹ 275,222 lakhs). Refer note 9(a) with respect to Coastal Andhra Power Limited.
- (b) In respect of subsidiaries, the Company has committed/ guaranteed to extend financial support in the form of equity or debt as per the agreed means of finance, in respect of the projects being undertaken by the respective subsidiary, including any capital expenditure for regulatory compliance and to meet shortfall in the expected revenues/debt servicing. Future cash flows in respect of the above matters can only be determined based on the future outcome of various uncertain factors.
- (c) Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for ₹ Nil (Previous year ₹ 75 lakhs).

### 5) Details of remuneration to auditors:

	Rupees in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
(a) As auditors		
For statutory audit	106	76
For others	18	85
(b) Out-of-pocket expenses	2	3
	126	164

### 6) Expenditure in foreign currency:

	Rupees in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
(a) Professional and consultation fees	23	-
(b) Interest and finance charges	680	679
(c) Others	58	511

### 7) Capital reserve (arisen pursuant to scheme):

The Capital reserve of ₹ 59,995 lakhs had arisen pursuant to the scheme of amalgamation with Erstwhile Reliance Clean Energy Private Limited (RCEPL), sanctioned by the Hon'ble High Court of Bombay vide order dated April 05, 2013. The scheme was effective from January 01, 2013.

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

- (a) The General reserve of ₹ 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 ₹ 18,707 lakhs had arisen pursuant to the scheme of amalgamation with erstwhile Sasan Power Infraventure Private Limited, sanctioned by the Hon'ble High Court of Bombay vide order dated April 29, 2011. The scheme was effective from January 01, 2011.
- (c) The General reserve of ₹ 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 01, 2011.

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

### 9) Project status of Subsidiaries

#### (a) 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 capacity located in Krishnapatnam, District Nellore, based on imported coal.

Notes to the Abridged financial statements as of and for the year ended March 31, 2016

CAPL had entered into a firm price fuel supply agreement which envisaged supply of coal from Indonesia with Reliance Coal Resources Private Limited (RCRPL), a wholly owned subsidiary of the Company. In view of below mentioned new regulation, RCRPL cannot supply coal at the already agreed price, because of which there is a risk of inability to pass through market linked prices of imported coal for the project, whereas 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 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. 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.

Since no resolution could be arrived at CAPL invoked the dispute resolution provision of PPA. The procurers have also issued a notice for termination of PPA and have raised a demand for liquidated damages of ₹ 40,000 lakhs (including bank guarantee of ₹ 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 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. The interim protection against encashing bank guarantees continues to be available.

CAPL has also filed a petition before the Central Electricity Regulatory Commission (CERC) without prejudice to the proceedings pending before the Delhi High Court and the arbitration process has already initiated. During the course of the CERC proceedings, the power procurers contended that the petition could not be taken up for hearing by CERC since the matter was pending at High Court. CAPL, in response contended that both proceedings are different and independent. The CERC petition did not raise issue of notice of termination. Considering appeal is pending before the Delhi High Court, CERC has disposed off the petition vide its order dated 06.08.2015 with a liberty to the Petitioner to approach the Commission at appropriate stage in accordance with law.

Based on the impairment assessment, considering the current status of the project, nature of expenditure incurred and estimated timeline for settlement of this matter, the Company has provided for diminution in the value of equity investments of ₹ 52,500 lakhs as an exceptional item in the Statement of Profit and Loss Account.

(Also refer note 10 (a)).

**(b) Samalkot Power Limited (SMPL)**

SMPL, a wholly owned subsidiary, is in the process of constructing a gas based power plant at Kakinada, which based on the current circumstances, has planned its construction work and consequential commercial operations thereafter progressively starting from 2017-2018 and it has incurred an aggregated cost of ₹ 920,141 lakhs as at March 31, 2016. SMPL has applied for allocation of gas and Ministry of Petroleum and Gas (MoPNG) is yet to allocate the gas linkage. Considering that the gas availability in the country has dropped significantly and also based on gas availability projected scenarios in subsequent years. SMPL is actively pursuing / making representations with various government authorities to secure the gas linkage / supply and is evaluating alternative arrangements / various approaches to deal with the situation in respect of its 2,262 MW (754 MW X 3) gas based power project.

SMPL is also exploring options for relocating the project, partially or fully, to other countries and in this context the Parent Company has entered into a Memorandum of Understanding with Government of Bangladesh (GoB) for developing gas project of 3,000 MW capacity. Subsequent to the year end, GoB has given an in principle approval for setting up of a 754 MW project at Meghnaghat, together with setting up of a Floating Storage and Regasification Unit (FSRU) based Liquefied Natural Gas (LNG) terminal at Maheshkhali, for which project agreements are being negotiated. In view of the above developments, SMPL is presently continuing with implementation of 1,508 MW (754 MW X 2) at existing location and plans to relocate the balance 754 MW capacity (754 MW X 1) to Bangladesh.

Based on the business plans and valuation assessment done by the management of SMPL, it is confident that the carrying value of net assets of SMPL is appropriate and consequently, there is no diminution in the value of investment made by the Company..

**(c) Jharkhand Integrated Power Limited (JIPL)**

JIPL, a wholly owned subsidiary, has been set up to develop Ultra Mega Power Project (UMPP) of 3960 MW capacity located in Tilaiya, Hazaribagh District, Jharkhand. The project being developed by JIPL was awarded to the Company through International Competitive Bidding (ICB), under the UMPP regime. Consequently JIPL was handed over to Company on August 7, 2009 by Power Finance Corporation (PFC). JIPL has signed Power Purchase Agreement (PPA) with 18 procurers in 10 states for 25 years. For fuel security, the project was allocated Kerendari BC captive coal mine block.

# Reliance Power Limited

## Notes to the Abridged financial statements as of and for the year ended March 31, 2016

As per the Power Purchase Agreement (PPA) between JIPL and the Procurers, the Procurers were obligated to comply with conditions subsequent to entering the PPA which inter-alia required providing requisite land for the Project within 6 months of the Project Transfer. Considering the status of the project and updates from the procurers, the Company terminated the PPA on April 28, 2015 as per the option available therein. The procurers have also agreed to the termination of the PPA by JIPL and have agreed to pay certain expenditure incurred by JIPL on the project pursuant to the minutes of the meeting held on November 03, 2015. It has also been agreed that the shares held by the Company in JIPL would be transferred to the Procurers upon completion of the final settlement.

Considering the said settlement process, the Company has taken over the balance expenditure of ₹ 13,186 lakhs in the books of JIPL and charged off the same in the Statement of Profit and Loss Account as an exceptional item. Also refer note 10(a) below.

### 10) Exceptional Items

- a) Pursuant to the Scheme of Amalgamation sanctioned by the High Court of Bombay on April 05, 2013 (refer note 7 above), the Company is permitted to offset any exceptional / extraordinary items, as determined by the Board of Directors, debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve.

During the year ended March 31, 2016 the Board of Directors of the Company, in terms of the aforesaid Scheme, have identified expenditure write off of ₹ 13,186 lakhs in relation to Talaiya Ultra mega Power Project (TUMPP) (Refer note 9(c) above) and provision for diminution in the value of the equity investments by ₹ 52,500 lakhs made in CAPL (Refer note 9(a) above) as an exceptional items, which have been debited to Statement of Profit and Loss and withdrew an equivalent amount from General Reserve and credited to the Statement of Profit and Loss.

- b) Similarly, pursuant to the Scheme of Amalgamation sanctioned by the High Court of Bombay on October 26, 2010 (refer note 8(a) above), the Company is permitted to offset any expense or loss which in the opinion of the Board of Directors is related to factors such as variation in exchange rates which are beyond the control of the Company, debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve.

During the year ended March 31, 2016, the Board of Directors of the Company, in terms of the aforesaid Scheme has identified the write down in the value of advance by ₹ 9,801 lakhs given to ESOS trust for purchase of shares (Refer note 12 below) as an exceptional item, which is beyond the control of the Company, which have been debited to Statement of Profit and Loss and withdrew an equivalent amount from General Reserve (arisen pursuant to the Composite Scheme of Arrangement) and credited to the Statement of Profit and Loss.

Had such withdrawal not been done, the Company would have incurred a loss before tax of ₹ 35,074 lakhs and General Reserve would be higher by ₹ 65,686 lakhs and General Reserve (arisen pursuant to the Composite Scheme of Arrangement) would be higher by ₹ 9,801 lakhs. The above treatment prescribed by the above Schemes overrides the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

### 11) Applicability of NBFC Regulations

The Company, based on the objects given in the Memorandum of Association, its role in construction and operation of power plants through subsidiaries and other considerations, has been legally advised that the Company is not covered under the provisions of Non-Banking Financial Company as defined in Reserve Bank of India Act, 1934 and accordingly is not required to be registered under section 45 IA of the said Act.

### 12) Employee Stock Option Scheme (ESOS)

Pursuant to the approval accorded by the Shareholders on September 30, 2007 under Section 81(1A) of the Companies Act, 1956, the Company has administered and implemented Employee Stock Option Scheme (ESOS) in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Board of Directors of the Company has constituted its ESOS compensation committee to operate and monitor the ESOS scheme which is administered through Reliance Power ESOS Trust ("RPET").

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 ₹ 10 each of the Company at an exercise price of ₹ 162 per share. Pursuant to the amendments made to the ESOS Scheme as approved by the ESOS Compensation Committee of the Board, effective from April 01, 2014, the Independent Directors of the Company shall not be eligible to participate in the Scheme. Further, the exercise period of the vested options may be different for different plans and shall not be longer than ten years from the date of vesting.

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

**Notes to the Abridged financial statements as of and for the year ended March 31, 2016**

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	₹ 140.20	
Exercise price	₹ 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	₹ 50.42	
	<b>2015-16</b>	2014-15
Opening balance of options	<b>8,500,000</b>	8,500,000
Options granted during the year	-	-
Vested during the year	-	-
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.

The Company had in earlier years given an advance of ₹ 14,000 lakhs to RPET for purchase of its shares from the open market, as per the ESOS plan of the Company. RPET had, in turn in earlier years purchased 8,500,000 equity shares of the Company. In accordance with SEBI (ESOS and ESPS) Guidelines, 1999 and as per the opinion issued in January 2014 by Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India ("ICAI"), the Company had consolidated financial statement of RPET with the Company's financial statement as at March 31, 2014. Pursuant to revised guidelines issued by SEBI on ESOS- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 dated October 28, 2014, accounting for shared based schemes should be done based on the requirements of Guidance Note on Accounting for Share based Payments wherein consolidation of trust is prohibited. Consequently, considering the regulatory change, the Company has changed its accounting policy with respect to consolidation of RPET and restated the face value of equity shares (held by RPET) which was deducted from the paid up share capital and balance ₹ 13,082 lakhs (net of bank balance of RPET) which was grouped under the securities premium account, with a corresponding adjustment to "Advance to RPET" in the previous year.

Further, considering the current market value of the shares, option exercise price and other factors, the Company has written down the value of advances given to the RPET by ₹ 9,801 lakhs in the Statement of Profit and Loss Account as an exceptional item (Refer Note 10 (b)).

**13) Status of Dadri Project**

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 in the year 2003. The state of Uttar Pradesh (The State) in the year 2004 acquired 2,100 acres of land and conveyed the same to the Company in the year 2005. The acquisition of land by the state for the project was challenged by certain land owners in the Allahabad High Court. The High Court quashed a part of acquisition proceedings by the State and directed them to fulfill certain compliances. Subsequent to the judgement of High Court on compliances and procedures relating to land acquisition the Company filed an appeal before Supreme Court. Before the pronouncement of judgement by the Supreme Court, the Company submitted an affidavit stating its inability to continue with the project because of the difficulty in securing the gas supply for the project. The Supreme Court in its order disposed off the appeal and upheld the right of the Company to recover the amount paid towards the land acquired and conveyed to it by the state on its return to the state.

The Company has already conveyed its intent to return the acquired land to Government of Uttar Pradesh and raised the claim for the cost incurred on the land acquisition as well as other incidental expenditure thereto.

The Company has realized amount of ₹ 2,522 lakhs from the Government of Uttar Pradesh and the balance amount is expected to be recovered in the future.

Considering the above facts, the Company has classified assets related to Dadri project under 'other current assets' as 'assets held for sale' and 'advance recoverable towards land'.

# Reliance Power Limited

## Notes to the Abridged financial statements as of and for the year ended March 31, 2016

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

The Company has classified various employee benefits as under:

#### Defined contribution plans

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

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

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

	Rupees in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
(a) Contribution to provident fund	<b>62</b>	137
(b) Contribution to employees' superannuation fund	<b>6</b>	14
(c) Contribution to employees' pension scheme 1995	<b>18</b>	7

#### 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:

	2015-2016		2014-2015	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate (per annum)	<b>7.80%</b>	<b>7.80%</b>	7.85%	7.85%
Rate of increase in compensation levels	<b>7.50%</b>	<b>7.50%</b>	7.50%	7.50%
Rate of return on plan assets	<b>8.25%</b>	-	8.25%	-
Expected average remaining working lives of employees in number of years	<b>10.09</b>		9.69	

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	
	2015-2016	2014-2015	2015-2016	2014-2015
<b>(i) Changes in present value of obligation</b>				
Opening balance of present value of obligation	<b>583</b>	613	<b>269</b>	315
Interest cost	<b>48</b>	59	<b>24</b>	32
Current service cost	<b>79</b>	98	<b>78</b>	83
Actuarial (gains) / loss	<b>(26)</b>	(88)	<b>(121)</b>	(42)
Benefits paid	<b>(129)</b>	(99)	<b>(51)</b>	(119)
Closing balance of present value of obligation	<b>555</b>	583	<b>199</b>	269

**Notes to the Abridged financial statements as of and for the year ended March 31, 2016**

Particulars	Rupees in lakhs			
	Gratuity		Leave encashment	
	2015-2016	2014-2015	2015-2016	2014-2015
<b>(ii) Changes in fair value of plan assets</b>				
Opening balance of present value of plan assets	517	573	-	-
Expected return on plan assets	43	47	-	-
Employer's contributions	64	-	51	119
Actuarial gains / (loss) on plan assets	(1)	(4)	-	-
Benefits paid	(129)	(99)	(51)	(119)
Closing balance of fair value of plan assets	494	517	-	-
<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	555	583	199	269
Closing balance of fair value of plan assets	494	517	-	-
Funded (asset) / liability recognised in the Balance Sheet*	61	66	-	-
Unfunded (asset) / liability recognised in the Balance Sheet#	-	-	199	269
<b>(v) Amount recognised in the Balance Sheet</b>				
Closing balance of present value of obligation	555	583	199	269
Closing balance of fair value of plan assets	494	517	-	-
Funded (asset) / liability recognised in the Balance Sheet*	61	66	-	-
Unfunded (asset) / liability recognised in the Balance Sheet#	-	-	199	269
<b>(vi) Expenses recognised in the Statement of Profit and Loss</b>				
Current service cost	79	98	78	83
Interest cost	48	59	24	32
Expected return on plan assets	(43)	(47)	-	-
Net actuarial (gain) / loss	(25)	(84)	(121)	(42)
Total expenses recognised / (written back) during the year	60	26	(19)	73
<b>(vii) Actuarial (gain) / loss on obligation</b>				
Net actuarial (gain) / loss due to experience	(28)	(133)	(122)	(59)
Net actuarial (gain) / loss due to change in assumption	(2)	49	(1)	18
	(30)	(84)	(123)	(42)
<b>(viii) Expected Employers' contribution for the next year</b>	100	100	-	-

\* Current and previous year figure grouped under Note no 3.4 under Provision for employee benefits.

# Grouped under Note no 3.4 and 3.8 under Provision for leave encashment.

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.

# Reliance Power Limited

## Notes to the Abridged financial statements as of and for the year ended March 31, 2016

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

		Rupees in lakhs									
		2015-2016		2014-2015		2013-2014		2012-2013		2011-2012	
Particulars	Gratuity	Leave Encashment									
(i) Present value of the defined benefit obligation	555	199	583	269	613	315	576	353	440	219	
Fair value of the plan assets	494	-	517	-	573	-	555	-	506	-	
(Surplus)/Deficit in the plan	61	-	66	-	40	-	21	-	(66)	-	
(ii) <b>Experience adjustments</b>											
On plan liabilities	(28)	(122)	(137)	(59)	(7)	(106)	(64)	61	(70)	(363)	
On plan assets	(1)	-	(4)	-	(3)	-	5	-	6	-	
Total experience Adjustments	(27)	(122)	(133)	(59)	(4)	(106)	(69)	61	(76)	(363)	

### 15) 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 the Companies (Accounting Standards) Rules, 2006, taking into account the organisational and internal reporting structure as well as evaluation of risk and return for these segments. Segment reporting policies are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included as "un-allocable".

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

#### Information about business segments - Primary

Particulars	Year ended March 31, 2016				Year ended March 31, 2015			
	Power Generation	Others	Unallocable	Total	Power Generation	Others	Unallocable	Total
<b>Revenue</b>								
External revenue	5,609	2,929	-	8,538	4,522	9,098	-	13,620
<b>Total revenue</b>	<b>5,609</b>	<b>2,929</b>	<b>-</b>	<b>8,538</b>	<b>4,522</b>	<b>9,098</b>	<b>-</b>	<b>13,620</b>
<b>Result</b>								
Segment result	3,362	-	-	3,362	2,617	-	-	2,617
Corporate income (Net of corporate expenses)	-	-	45,140	45,140	-	-	5,385	5,385
Interest income (Net of interest and finance charges)	-	-	(8,089)	(8,089)	-	-	(5,170)	(5,170)
Profit before taxation	3,362	-	37,051	40,413	2,617	-	215	2,832
Taxes	-	-	139	139	-	-	322	322
<b>Profit after tax</b>	<b>3,362</b>	<b>-</b>	<b>36,912</b>	<b>40,274</b>	<b>2,617</b>	<b>-</b>	<b>(107)</b>	<b>2,510</b>
<b>Other Information</b>								
Segment assets	44,239	1,661	2,089,923	2,135,823	32,931	4,969	2,121,549	2,159,449
Segment liabilities	32,183	-	468,695	500,878	21,374	-	439,959	461,333
Capital expenditure	-	-	184	184	-	-	116	116
Depreciation	1,467	-	244	1,711	1,430	-	557	1,987
Non cash expenses other than depreciation	-	-	224	224	-	-	14	14

**16) 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 Amulin Hydro Power Private Limited (AHPPL)
- 13 Emini Hydro Power Private Limited (EHPPL)
- 14 Mihundon Hydro Power Private Limited (MHPPL)
- 15 Jharkhand Integrated Power Limited (JIPL)
- 16 Reliance CleanGen Limited (RCGL)
- 17 Rajasthan Sun Technique Energy Private Limited (RSTEPL)
- 18 Dhursar Solar Power Private Limited (DSPPL)
- 19 Moher Power Limited (MPL)
- 20 Samalkot Power Limited (SMPL)
- 21 Reliance Prima Limited (RPrima)
- 22 Atos Trading Private Limited (ATPL)
- 23 Atos Mercantile Private Limited (AMPL)
- 24 Coastal Andhra Power Infrastructure Limited (CAPIL)
- 25 Reliance Power Netherlands BV (RPN)
- 26 PT Heramba Coal Resources (PTH)
- 27 PT Avaneesh Coal Resources (PTA)
- 28 Reliance Natural Resources Limited (RNRL)
- 29 Reliance Natural Resources (Singapore) Pte Limited (RNRL- Singapore)
- 30 Reliance Solar Resources Power Private Limited (RSRPPL)
- 31 Reliance Wind Power Private Limited (RWPPL)
- 32 Reliance Green Power Private Limited (RGPPL)
- 33 PT Sumukha Coal Services (PTS)
- 34 PT Brayan Bintang Tiga Energi (BBE)
- 35 PT Sriwijaya Bintang Tiga Energi (SBE)

# Reliance Power Limited

## Notes to the Abridged financial statements as of and for the year ended March 31, 2016

- 36 Shangling Hydro Power Private Limited (SPPL)
- 37 Sumte Kothang Hydro Power Private Limited (SKPL)
- 38 Teling Hydro Power Private Limited (TPPL)
- 39 Lara Sumta Hydro Power Private Limited (LHPPL)
- 40 Purthi Hydro Power Private Limited (PHPPL)
- 41 Reliance Geothermal Power Private Limited (RGTPPL) (w.e.f. January 17, 2015)
- 42 RPL Sun Power Private Limited (Formerly known as Reliance Biomass Power Private Limited) (RSUNPPL) (w.e.f. July 16, 2015 upto February 16, 2016)
- 43 RPL Photon Private Limited (Formerly known as Reliance Renewable Power Private Limited) (RPHOTONPL) (w.e.f. July 16, 2015 upto February 16, 2016)
- 44 RPL Sunshine Power Private Limited (Formerly known as Solar Generation Company (Rajasthan) Private Limited) (RSUNSHINEPPL) (w.e.f. July 16, 2015)
- 45 RPL Sun Technique Private Limited (Formerly known as Reliance Tidal Power Private Limited) (RSUNTPL) (w.e.f. July 16, 2015 upto February 16, 2016)
- 46 RPL Surya Power Private Limited (RSURYAPPL) (w.e.f. July 31, 2015)
- 47 RPL Solar Power Private Limited (RSOLARPPL) (w.e.f. August 26, 2015)
- 48 RPL Sunlight Power Private Limited (RSUNLIGHTPPL) (w.e.f. August 19, 2015)
- 49 RPL Solaris Power Private Limited (RSOLARISPPL) (w.e.f. September 07, 2015)
- 50 RPL Aditya Power Private Limited (RADITYAPPL) (w.e.f. August 26, 2015)
- 51 RPL Star Power Private Limited (RSTARPPL) (w.e.f. August 07, 2015)

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

**Companies**

Reliance Infrastructure Limited (R Infra)

**Individual**

Shri Anil D. Ambani

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

- (i) Key Management Personnel:
  - 1 Shri N. Venugopala Rao (Chief Executive Officer) (w.e.f. October 13, 2015)
  - 2 Shri Ramaswami Kalidas (Company Secretary and Manager)
  - 3 Shri N. Venugopala Rao (CFO) (up to September 26, 2014)
  - 4 Shri Ashutosh Agarwala (CFO) (w.e.f. September 26, 2014)
- (ii) Enterprises over which individual described in clause B (I) above have control:
  - 1 Reliance Capital Limited (RCL)
  - 2 Reliance Communication Limited (RCom)

**Notes to the Abridged financial statements as of and for the year ended March 31, 2016**
**C. Details of transactions during the year and closing balance at the end of the year:**

	Rupees in lakhs	
	2015-2016	2014-2015
<b>(i) Transactions during the year:</b>		
<b>Sales</b>		
- R Infra (Sale of Energy)	4,622	4,522
- VIPL (Sale of Coal)	-	3,768
<b>Service Income (including applicable taxes)</b>		
- JIPL	-	112
- KPPL	23	22
- RPSCL	1,114	112
- SHPPL	23	22
- SPL	1,412	5,506
- THPPL	23	22
- USHPPL	23	22
- VIPL	622	56
- RSTEPL	57	56
- DSPPL	57	56
<b>Interest on Inter-corporate deposit</b>		
- RCRPL	2,294	465
<b>Dividend income on preference shares</b>		
- RNRL Singapore	904	847
- RPSCL	15,477	-
<b>Dividend income on equity shares</b>		
- RPSCL	12,520	-
<b>Interest expense</b>		
- R Infra	3,268	8,834
- MEGL	12	11
<b>Remuneration to key management personnel</b>		
- Shri N. Venugopala Rao	59	49
- Shri Ramaswami Kalidas	69	50
- Shri Ashutosh Agarwala	226	99
<b>Sitting fees</b>		
- Shri Anil D Ambani	2	2
<b>Transfer of expenditure / assets by</b>		
- JIPL	13,186	-
- RNRL	1,842	-
- RGPPPL	199	-
<b>Generation, administration and other expenses</b>		
- RCGL	1	1

# Reliance Power Limited

Notes to the Abridged financial statements as of and for the year ended March 31, 2016

	Rupees in lakhs	
	2015-2016	2014-2015
<b>Reimbursement of expenses and advances given</b>		
- AHPPL	1	2
- AMPL	2	4
- ATPL	@	-
- CAPIL	96	203
- CAPL	327	557
- CPPL	110	117
- DSPPL	4	2
- EHPPL	@	1
- MHPPL	@	-
- JIPL	799	873
- KPPL	3	5
- MEGL	@	-
- RCRPL	73	141
- RNRL	374	1,148
- R Prima	@	-
- RPSCL	2	79
- RSTEPL	135	120
- SHPPL	7	14
- SMPL	333	72
- SPL	1,050	451
- THPPL	35	16
- VIPL	46	915
- RCGL	206	-
- RGPPL	64	76
- RGTPL	@	25
- RWPPL	1	-
- PHPPL	@	-
- TPPL	@	-
- USHPPL	@	-
- R Infra	61	-
<b>Inter corporate deposit received from subsidiaries</b>		
- RPSCL	180,290	123,280
- DSPPL	5,153	4,761
- VIPL	88,535	4,589
- MEGL	-	11
<b>Refund of inter corporate deposit received from subsidiaries</b>		
- RPSCL	164,542	50,263
- DSPPL	1,503	4,135
- JIPL	2,695	1,954
- CPPL	-	477
- CAPL	-	235
- MEGL	22	3
- VIPL	63,738	-

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

	Rupees in lakhs	
	2015-2016	2014-2015
<b>Inter corporate deposit given to subsidiaries</b>		
- AHPPL	8	31
- AMPL	29	50
- ATPL	6	1
- CPPL	159	1,452
- CAPIL	285	456
- CAPL	837	96
- EHPPL	1	20
- KPPL	155	252
- JIPL	30,929	-
- LHPPL	-	5
- MHPPL	1	1
- PHPPL	1	-
- RSTEPL	22,359	13,721
- RCRPL	2,831	11,493
- RCGL	156,570	75,470
- RGTPPL	26	-
- RGPPL	1,796	29
- RNRL	-	2
- RPrima	2	1
- SPL	32,043	14,003
- SPPL	-	5
- SHPPL	265	350
- SKPL	-	1
- SMPL	6,215	-
- THPPL	440	485
- TPPL	1	6
- USHPPL	23	25
- VIPL	-	11,925
<b>Refund of inter corporate deposit given to subsidiaries</b>		
- AMPL	-	7
- CPPL	-	1
- RNRL	-	2
- RCGL	105,445	72,896
- SPL	1,543	3
- RSTEPL	100	-
- JIPL	2,900	-
- VIPL	-	27,026
<b>Inter corporate deposit received</b>		
- R Infra	42,500	139,000
<b>Refund of Inter corporate deposit</b>		
- R Infra	75,146	85,085
<b>Redemption of non convertible debentures</b>		
- R Infra	-	110,000

# Reliance Power Limited

Notes to the Abridged financial statements as of and for the year ended March 31, 2016

	Rupees in lakhs	
	2015-2016	2014-2015
<b>Purchase of shares (Refer note 3.10.A and 3.10.B)</b>		
- RCGL (Equity shares of RGPPL)	158	-
- RCGL (7.5% Preference shares of RGPPL)	2,316	-
<b>Redemption of Preference Shares</b>		
- JIPL (7.5% Preference shares)	17,784	-
<b>Investment in debentures</b>		
- CPPL	-	1,27,000
<b>Share application money given</b>		
- SPL	-	94,720
- VIPL	-	8,857
<b>Guarantees issued</b>		
- RGPPL	-	9,700
- RGTPL	-	1,756
- SPL	-	267
- SMPL	189	28
- RCGL	22,700	-
- CAPIL	-	12
- VIPL	20,000	12
- RPSCL	30,000	50,000
<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	60,100	5,100
- CPPL	1	1
- DSPPL	8,941	8,941
- EHPPL	3,547	3,547
- JIPL	1,004	1,004
- KPPL	2,236	2,236
- MEGL	8	8
- MHPPL	2,404	2,404
- RCRPL	20,894	20,894
- RNRL (Singapore)	42	42
- RNRL	5	5
- RCGL	115,004	115,004
- RPrima	5	5
- RPSCL	116,740	116,740
- RSTEPL	28,465	28,465
- SHPPL	2,491	2,491
- SPL	436,612	412,112
- THPPL	114	114

**Notes to the Abridged financial statements as of and for the year ended March 31, 2016**

	Rupees in lakhs	
	2015-2016	2014-2015
- USHPPL	81	81
- VIPL	11,109	11,109
- SPPL	489	489
- TPPL	995	995
- SKPL	1,354	1,354
- LHPPL	1,094	1,094
- PHPPL	3,054	3,054
- SMPL	60,000	60,000
- RGPPL	158	-
<b>Preference shares</b>		
- AHPPL	116	116
- AMPL	323	323
- ATPL	188	188
- CPPL	5,380	5,380
- CAPIL	1,320	1,320
- JIPL	-	17,784
- RNRL (Singapore)	182,349	172,062
- RPSCL	29,863	29,863
- SHPPL	380	380
- SPL	357,888	357,888
- THPPL	953	953
- KPPL	1,260	1,260
- MEGL	1,345	1,345
- DSPPL	8,940	8,940
- RCGL	129,150	129,000
- RPrima	284	284
- EHPPL	54	54
- LHPPL	1,079	1,079
- MHPPL	4	4
- PHPPL	3,019	3,019
- RSTEPL	28,563	28,563
- SPPL	456	456
- SKPL	1,320	1,320
- TPPL	969	969
- USHPPL	1,624	1,624
- VIPL	94,044	94,044
- RGPPL	2,316	-
<b>Debentures</b>		
- CAPL	-	100,000
- CPPL	-	127,000
<b>Loans and advances*</b>		
- AHPPL	39	31
- AMPL	72	43
- ATPL	7	1
- CAPIL	741	456

# Reliance Power Limited

Notes to the Abridged financial statements as of and for the year ended March 31, 2016

	Rupees in lakhs	
	2015-2016	2014-2015
- CAPL	45,933	375
- CPPL	128,610	1,451
- EHPPL	21	20
- JIPL	14,843	-
- KPPL	407	252
- LHPPL	5	5
- MHPPL	2	1
- PHPPL	1	-
- RSTEPL	35,980	13,721
- RCGL	65,499	14,373
- RGPPL	1,625	77
- RCRPL	23,625	20,861
- RNRL	2,784	4,252
- RPrima	3	1
- RGTPL	26	25
- TPPL	7	6
- SKPL	1	1
- SHPPL	615	350
- SMPL	6,215	33
- SPL	20,000	14,083
- THPPL	925	485
- USHPPL	48	25
- SPPL	5	5
*Includes Inter corporate deposits and other receivables.		
<b>Short term borrowings – Inter corporate deposit</b>		
- RPSCL	276,756	261,008
- DSPPL	12,126	8,476
- VIPL	29,386	4,589
- JIPL	-	2,695
- MEGL	124	146
- R Infra	21,269	53,915
<b>Other current liabilities</b>		
- R Infra	2,873	6,113
<b>Trade receivables</b>		
- R Infra	477	413
- SPL	1,096	4,969
- VIPL	566	-

Notes to the Abridged financial statements as of and for the year ended March 31, 2016

	Rupees in lakhs	
	2015-2016	2014-2015
<b>Other current assets</b>		
- RNRL (Singapore)	2,735	1,721
- RCRPL	-	418
<b>Guarantees issued</b>		
- SPL	16,889	51,441
- CAPL	30,000	30,000
- JIPL	80,815	80,815
- VIPL	20,814	4,073
- CAPIL	-	12
- CPPL	11,508	11,508
- RSTEPL	11,471	11,471
- RPN (USD 17 Million (Previous year USD 34 Million))	11,276	21,281
- SMPL	284	95
- THPPL	71	71
- RGPPL	3,000	12,699
- RGTPL	-	1,756
- RPSCL	80,000	50,000

(iii) **Other transactions:**

- (a) As per the terms of sponsor support agreement entered for the purpose of security of term loans availed by subsidiaries, the Company is required to pledge following percentage of its shareholding in the respective subsidiaries.
- 100% of equity shares of Sasan Power Limited.
  - 100% of equity shares of Dhursar Solar Power Private Limited.
  - 100% of equity shares of Rajasthan Sun Technique Energy Private Limited.
  - 51% of equity shares of Vidarbha Industries Power Limited.
  - 100% of preference shares of Sasan Power Limited.
  - 100% of preference shares of Dhursar Solar Power Private Limited.
  - 100% of preference shares of Rajasthan Sun Technique Energy Private Limited.
- (b) The Company has given commitments / guarantees for loans taken by SPL, SMPL, VIPL, DSPPL and RSTEPL. Refer note 4 (b).
- (c) Refer note 9(a), 9(c), 10(a) and 21.
- (iv) The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.

## Reliance Power Limited

### Notes to the Abridged financial statements as of and for the year ended March 31, 2016

#### 17) Disclosure of loans and advances to subsidiaries pursuant to Schedule V under Regulation 34(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015:

Name of Subsidiaries	Rupees in lakhs			
	Amount outstanding*		Maximum amount outstanding	
	As at		during the year	
	March 31, 2016	March 31, 2015	2015-2016	2014-2015
Amulin Hydro Power Private Limited	39	31	39	31
Atos Mercantile Private Limited	72	43	72	43
Atos Trading Private Limited	7	1	7	1
Chitrangi Power Private Limited	128,610	1,451	128,610	128,693
Coastal Andhra Power Infrastructure Limited	741	456	741	505
Coastal Andhra Power Limited	45,933	375	45,933	610
Dhursar Solar Power Private Limited	-	-	-	2,238
Emini Hydro Power Private Limited	21	20	21	20
Jharkhand Integrated Power Limited	14,843	-	30,000	1,955
Kalai Power Private Limited	407	252	407	258
Maharashtra Energy Generation Limited	-	-	-	3
Mihundon Hydro Power Private Limited	2	1	2	1
Rajasthan Sun Technique Energy Private Limited	35,980	13,721	35,980	13,764
Reliance CleanGen Limited	65,499	14,373	72,338	57,605
Reliance Coal Resources Private Limited	23,625	20,861	23,625	21,281
Reliance Natural Resources Limited	2,784	4,252	2,784	4,266
Reliance Prima Limited	3	1	3	1
Rosa Power Supply Company Limited	-	-	-	112
Samalkot Power Limited	6,215	33	6,215	37
Sasan Power Limited	20,000	14,083	44,583	56,985
Siyom Hydro Power Private Limited	615	350	615	357
Tato Hydro Power Private Limited	925	485	925	492
Urthing Sobla Hydro Power Private Limited	48	25	48	31
Vidarbha Industries Power Limited	-	-	-	34,344
Lara Sumta Hydro Power Private Limited	5	5	5	5
Purthi Hydro Power Private Limited	1	-	1	-
Sumte Kothang Hydro Power Private Limited	1	1	1	1
Shangling Hydro Power Private Limited	5	5	5	5
Teling Hydro Power Private Limited	7	6	7	6
Reliance Green Power Private Limited	1,625	77	1,825	98
Reliance Geothermal Power Private Limited	26	25	26	25

\*Includes Inter corporate deposits and other receivables.

As at the year-end, the Company has no loans and advances in the nature of loans to firms/companies in which directors are interested.

**Notes to the Abridged financial statements as of and for the year ended March 31, 2016**
**18) Earnings per share:**

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Profit available to equity shareholders</b>		
Profit after tax (A) (Rupees in lakhs)	<b>40,274</b>	2,510
<b>Number of equity shares</b>		
Weighted average number of equity shares outstanding (Basic) (B)	<b>2,805,126,466</b>	2,805,126,466
Basic and diluted earnings per share (A / B) (₹)	<b>1.44</b>	0.09
Nominal value of an equity share (₹)	<b>10.00</b>	10.00

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

	As at March 31, 2016		As at March 31, 2015	
	USD	Rupees in lakhs	USD	Rupees in lakhs
<b>Receivable in foreign currency:</b>				
Investment in preference shares	<b>274,900,000</b>	<b>182,349</b>	274,900,000	172,062
Dividend receivable on preference shares	<b>4,123,500</b>	<b>2,735</b>	2,749,000	1,721
<b>Payable in foreign currency:</b>				
Borrowings	<b>18,947,500</b>	<b>12,568</b>	20,967,500	13,124
Interest accrued but not due	<b>261,953</b>	<b>174</b>	258,335	162

**20) Earnings in foreign currency:**
**Rupees in lakhs**

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Dividend on preference shares	<b>904</b>	847

**21) Conversion of Debentures**

The wholly owned subsidiary CAPL, based on approval of its Board of Directors and on the basis of approval of Board of Directors of the Company at the meeting held on March 25, 2016, has converted 10,000 Secured Debentures of ₹ 1,000,000 each amounting to ₹ 100,000 lakhs into 5,500 fully paid equity shares of ₹ 10 each and balance ₹ 45,000 lakhs as Interest free Inter Corporate Deposits payable to the Company.

The wholly owned subsidiary CPPL, based on approval of its Board of Directors and on the basis of approval of Board of Directors of the Company at the meeting held on March 30, 2016, has converted 12,700 Compulsory Convertible Unsecured Debentures of ₹ 1,000,000 each into Interest free Interest Corporate Deposit payable to the Company.

**22) 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 ₹ 27,857 lakhs (Previous year ₹ 28,384 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 and the Company has adjusted the value of Plant and equipment by ₹ 768 lakhs (Previous year ₹ 558 lakhs) towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

**23) Corporate social responsibility (CSR)**

As per the section 135 of the Companies Act, 2013, the Company is required to spend ₹ 402 lakhs (Previous year: ₹ 318 lakhs), being 2% of the average net profit during the three immediately preceding financial years, towards CSR activity. The Company has made a contribution of ₹ 402 lakhs (previous year ₹ 587 lakhs) to a Non-profit organization to facilitate the setting up of day care oncology centers in different districts of Maharashtra.

**24) The Company's wind power project at Vashpet is eligible for a tax holiday under Section 80- IA of Income Tax Act, 1961. The Company has recognized deferred liability of ₹ 139 lakhs on account of timing difference originating as on the date and reversing after the tax holiday period with respect to depreciation on assets relating to wind power project. Considering the principles of virtual certainty, the Company has not recognised deferred tax asset on accumulated business loss as per the Income Tax Act, 1961.**

# Reliance Power Limited

## Notes to the Abridged financial statements as of and for the year ended March 31, 2016

- 25) The Company has paid maiden interim dividend of Re.1 per equity share of ₹ 10 each. The Board of Directors have confirmed the above as the final dividend for the year 2015-16. The dividend is subject to approval of Shareholders in the ensuing Annual General Meeting.
- 26) In view of section 115-O of the Income Tax Act, 1961, the Company has reduced its dividend tax liabilities to the extent dividend received from RPSCL.

Particulars	Rupees In lakhs	
	2015-16	2014-15
Dividend paid	28,051	
Dividend distribution tax thereon	5,711	
Dividend distribution tax credit on RPSCL Dividend	5,700	
Dividend distribution tax paid	11	

### 27) Remittance in foreign currency on account of dividend

The Company has paid dividend in respect of shares held by non residents on repatriation basis. This, inter-alia includes portfolio investment, where the amount is also credited to Non Resident External Account (NRE A/c). The total amount remittable in this respect is specified below:

Particulars	2015-16	2014-15
Dividend		
a) Number of Non Resident shareholders	532	-
b) Number of equity shares held by them	143,684	-
c) (i) Amount of dividend paid (gross) (amount in Rupees)	143,684	-
(ii) Year to which dividend relates	2015-16	-

### 28) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

- 29) The figures for the previous year are re-classified / re-grouped, wherever considered necessary.

As per our attached report of even date

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

**Uday Shah**  
Partner  
Membership No: 46061

Place : Mumbai  
Date : May 27, 2016

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Place : Mumbai  
Date : May 27, 2016

For and on behalf of the Board of Directors

**Anil D Ambani** Chairman

**Dr. V K Chaturvedi**  
**D J Kakalia**  
**Rashna Khan** } Director

**N. Venugopala Rao** Chief Executive Officer

**Ashutosh Agarwala** Chief Financial Officer

**Ramaswami Kalidas** Company Secretary

Place : Mumbai  
Date : May 27, 2016

**Independent Auditors' Report**

**To the Members of Reliance Power Limited**

**Report on the abridged consolidated financial statements**

1. The accompanying abridged consolidated financial statements of Reliance Power Limited ("the Holding Company") and its subsidiaries; 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, 2016, 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 Group for the year ended March 31, 2016 prepared by the Holding Company's Management in accordance with the accounting principles generally accepted in India, covered by our attached report of even date to the Members of the Holding 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' notified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and Schedule III to the Act applied in the preparation of the audited consolidated financial statements of the Group. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

**Management's Responsibility for the Abridged Consolidated Financial Statements**

4. The Holding Company's Management is responsible for the preparation of the abridged consolidated financial statements in accordance with Rule 10 of the Companies (Accounts), Rules, 2014 (the "Rules") and based on the consolidated audited financial statements for the year ended March 31, 2016. The Holding Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal financial 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 Holding Company's Management (including directors) are also responsible for ensuring that the Holding 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 Group as at and for the year ended March 31, 2016 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 Members of the Holding Company, in accordance with the Rules.

**Emphasis of Matter**

8. We draw your attention to
  - (i) Note 9 of abridged consolidated financial statements for the year ended as on March 31, 2016, regarding continued uncertainty as to the availability of the natural gas supply and as such the accompanying abridged consolidated financial statements do not include any adjustment that might result from the outcome of the said uncertainty on commissioning of the Samalkot Power Limited's plant.
  - (ii) Note 7 of the abridged consolidated financial statements for the year ended as on March 31, 2016, regarding the financial statement of a subsidiary incorporated outside India whose financial statements reflect total assets of ₹ 179,282 lacs and net assets of ₹ 179,264 lacs as at March 31, 2016, total revenue of ₹ 12,190 lacs, profit before tax of ₹ 2,332 lacs and net cash inflow amounting to ₹ 2,317 lacs for the year ended on that date, as considered in the abridged consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the abridged consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report insofar as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information.
  - (iii) Note 11(a) of the abridged consolidated financial statements regarding accounting treatment prescribed in the Scheme of Amalgamation approved by the Honorable High Court of Bombay on April 5, 2013 ("The Scheme 1") with Appointed Date as January 1, 2013. The Scheme 1 permits the Holding Company to adjust expenses and/ or losses identified by the Board of Directors as exceptional or extraordinary of the Holding Company and its subsidiaries, which are required to be debited to the consolidated Statement of Profit and Loss with a corresponding withdrawal from General Reserve from Appointed Date till March 31, 2016. The said adjustments are considered to be an override to the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior

## Independent Auditors' Report

Period Items and Changes in Accounting Policies' and Accounting Standard 21 (AS 21) Consolidated Financial Statements. During the year, vide approval from the Board of the Holding Company, certain expenditure amounting to ₹ 13,186 lacs incurred in relation to Tilaiya Ultra Mega Power Project by the Holding Company and provision for impairment in relation to Krishnapatnam Project amounting to ₹ 52,500 lacs by Coastal Andhra Power Limited, which is written off/provided for in the consolidated Statement of Profit and Loss as an exceptional item, is adjusted by an equivalent credit of general reserve in the consolidated Statement of Profit and Loss, as per the provisions of the above Scheme 1.

- (iv) Note 11(b) of the abridged consolidated financial statements regarding accounting treatment prescribed in the Composite Scheme of Arrangement approved by the Honorable High Court of Bombay on October 15, 2010 ("The Scheme 2") with Appointed Date as October 15, 2010. The Scheme 2 permits the Holding Company to adjust expenses and/ or losses identified by the Board of Directors as beyond the control of the Holding Company, which are required to be debited to the Statement of Profit and Loss with a corresponding withdrawal from General Reserve. The said adjustments are considered to be an override to the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. During the year, the Board of the Holding Company has identified write down in the value of advances made to a trust for Employee Stock Option Scheme (ESOS) amounting to ₹ 9,801 Lacs as beyond the control of the Holding Company and accordingly, has adjusted the provision by corresponding withdrawal from General Reserve (arisen pursuant to Composite Scheme of Arrangement).

Had such write offs / down and provisions as mentioned in (iii) and (iv) above not been met from General Reserve, the Group's profit before tax would have been lower by ₹ 75,487 lacs for the year ended March 31, 2016.

Our opinion is not modified in respect of the above said matters.

### Other Matter

9. The financial statements of 9 subsidiaries included in the abridged consolidated financial statements, whose financial statements reflect total assets of ₹ 271,736 Lacs and net assets of ₹ 194,634 lacs as at March 31, 2016, total revenue of ₹ 1,108 Lacs, net loss of ₹ 272 lacs and net cash outflow amounting to ₹ 9,754 lacs for the year then ended as considered in the abridged consolidated financial statements 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 of 32 subsidiaries, whose financial statements reflect total assets of ₹ 151,195 lacs and net assets of ₹ 138,739 lacs as at March 31, 2016, total revenue of ₹ 3,272 lacs, net loss of ₹ 222 lacs and net cash inflow amounting to ₹ 415 lacs for the year ended on that date, as considered in the abridged consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the abridged consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the abridged consolidated financial statements is not modified in respect of the above matters.

### For Price Waterhouse

Firm Reg'n. No: 301112E  
Chartered Accountants

### Uday Shah

Partner  
Membership No: 46061

Place: Mumbai  
Date: May 27, 2016

### For Chaturvedi & Shah

Firm Regn. No: 101720W  
Chartered Accountants

### Vijay Napawaliya

Partner  
Membership No: 109859

Place: Mumbai  
Date: May 27, 2016

**Independent Auditors' Report**

**To the Members of Reliance Power Limited**

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Reliance Power Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") (refer Note 2 (b)(II) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

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

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act

and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. 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 auditor considers internal financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 and 10 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

8. We draw your attention to –

(i) Note 9 of consolidated financial statements for the year ended as on March 31, 2016, regarding continued uncertainty as to the availability of the natural gas supply and as such the accompanying consolidated financial statements do not include any adjustment that might result from the outcome of the said uncertainty on commissioning of the Samalkot Power Limited's plant.

(ii) Note 7 of the consolidated financial statements for the year ended as on March 31, 2016, regarding the financial statement of a subsidiary incorporated outside India whose financial statements reflect total assets of ₹ 179,282 lacs and net assets of ₹ 179,264 lacs as at March 31, 2016, total revenue

of ₹ 12,190 lacs, profit before tax of ₹ 2,332 lacs and net cash inflow amounting to ₹ 2,317 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and our report insofar as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information.

(iii) Note 11(a) of the consolidated financial statements regarding accounting treatment prescribed in the Scheme of Amalgamation approved by the Honorable High Court of Bombay on April 5, 2013 ("The Scheme 1") with Appointed Date as January 1, 2013. The Scheme 1 permits the Holding Company to adjust expenses and/ or losses identified by the Board of Directors as exceptional or extraordinary of the Holding Company and its subsidiaries, which are required to be debited to the consolidated Statement of Profit and Loss with a corresponding withdrawal from General Reserve from Appointed Date till March 31, 2016. The said adjustments are considered to be an override to the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' and Accounting Standard 21 (AS 21) Consolidated Financial Statements. During the year, vide approval from the Board of the Holding Company, certain expenditure amounting to ₹ 13,186 lacs incurred in relation to Tilaiya Ultra Mega Power Project by the Holding Company and provision for impairment in relation to Krishnapatnam Project amounting to ₹ 52,500 lacs by Coastal Andhra Power Limited, which is written off/provided for in the consolidated Statement of Profit and Loss as an exceptional item, is adjusted by an equivalent credit of General Reserve in the consolidated Statement of Profit and Loss, as per the provisions of the above Scheme 1.

(iv) Note 11(b) of the consolidated financial statements regarding accounting treatment prescribed in the Composite Scheme of Arrangement approved by the Honorable High Court of Bombay on October 15, 2010 ("The Scheme 2") with Appointed Date as October 15, 2010. The Scheme 2 permits the Holding Company to adjust expenses and/ or losses identified by the Board of Directors as beyond the control of the Holding Company, which are required to be debited to the Statement of Profit and Loss with a corresponding withdrawal from General Reserve. The said adjustments are considered to be an override to the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. During the year, the Board of the Holding Company has identified write down in the value of advances made to a trust for Employee Stock Option Scheme (ESOS) amounting

to ₹ 9,801 lacs as beyond the control of the Holding Company and accordingly, has adjusted the provision by corresponding withdrawal from General Reserve (arisen pursuant to Composite Scheme of Arrangement).

Had such write offs / write downs and provisions as mentioned in (iii) and (iv) above not been met from General Reserve, the Group's profit before tax would have been lower by ₹ 75,487 lacs for the year ended March 31, 2016.

Our opinion is not modified in respect of the above said matters.

### Other Matters

9. The financial statements of 9 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 271,736 lacs and net assets of ₹ 194,634 lacs as at March 31, 2016, total revenue of ₹ 1,108 lacs, net loss of ₹ 272 lacs and net cash outflow amounting to ₹ 9,754 lacs for the year then ended, as considered in the consolidated financial statements, 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 of 32 subsidiaries, whose financial statements reflect total assets of ₹ 151,195 lacs and net assets of ₹ 138,739 lacs as at March 31, 2016, total revenue of ₹ 3,272 lacs, net loss of ₹ 222 lacs and net cash inflow amounting to ₹ 415 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that;

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiaries incorporated in India including

## Independent Auditors' Report

- relevant records relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of one of the joint auditors and other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries incorporated in India including relevant records relating to preparation of consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. As explained in the paragraph 8 (i) above, the functioning of the Samalkot Power Limited's plant would be effected by the outcome of uncertainty as to availability of the natural gas supply on commissioning of the Samalkot Power Limited's plant.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2016 on the consolidated financial position of the Group - Refer Notes 4, 8, 13, 20, 31, 32 and 34 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2016.

**For Price Waterhouse**  
Firm Registration Number:  
301112E  
Chartered Accountants

**Uday Shah**  
Partner  
Membership No: 46061

Place: Mumbai  
Date: May 27, 2016

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

Vijay Napawaliya  
Partner  
Membership No: 109859

Place: Mumbai  
Date: May 27, 2016

# Reliance Power Limited

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11(g) of the Independent Auditors' Report of even date to the members of Reliance Power Limited on the consolidated financial statements for the year ended March 31, 2016

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Reliance Power Limited (hereinafter referred to as "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as

it relates to 9 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of Chaturvedi & Shah of such companies incorporated in India.

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 26 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

**For Price Waterhouse**  
Firm Registration Number:  
301112E  
Chartered Accountants

**Uday Shah**  
Partner  
Membership No: 46061

Place: Mumbai  
Date: May 27, 2016

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

Vijay Napawaliya  
Partner  
Membership No: 109859

Place: Mumbai  
Date: May 27, 2016

# Reliance Power Limited

## Abridged Consolidated Balance Sheet as at March 31, 2016

(Statement containing salient features of Balance Sheet as per Section 136 (1) and Rule 10 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013)

Particulars	As at March 31, 2016 Rupees in lakhs	As at March 31, 2015 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	1,105,454	1,104,823
(iii) General reserve	97,807	107,230
(iv) Debenture redemption reserve	2,798	3,420
(v) General reserve (arisen pursuant to composite scheme of arrangement)	102,156	111,957
(vi) Surplus in the Statement of Profit and Loss	493,708	446,920
	<b>2,090,773</b>	2,063,200
<b>(2) Minority Interest</b>	-	150
<b>(3) Non-current liabilities</b>		
(a) Long-term borrowings	2,915,938	2,822,055
(b) Deferred Tax Liabilities	139	-
(c) Other Long term liabilities	215,552	297,369
(d) Long-term provisions	14,155	12,210
	<b>3,145,784</b>	3,131,634
<b>(4) Current liabilities</b>		
(a) Short-term borrowings	289,658	256,017
(b) Trade payables	47,320	51,405
(c) Other current liabilities	723,818	606,092
(d) Short-term provisions	2,988	94,089
	<b>1,063,784</b>	1,007,603
<b>Total of (1) to (4)</b>	<b>6,300,341</b>	6,202,587
<b>II Assets</b>		
<b>(5) Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	3,572,489	3,357,364
(ii) Intangible assets (Original cost less depreciation/amortisation)	5,835	6,010
(iii) Capital work-in-progress	1,334,865	1,553,055
(b) Non-current investments (Unquoted)	@	@
(c) Long-term loans and advances	283,972	312,431
(d) Other non-current assets	27,009	158,694
	<b>5,224,170</b>	5,387,554
<b>(6) Current assets</b>		
(a) Current Investments (Unquoted)	86,257	86,092
(b) Inventories	112,369	104,747
(c) Trade receivables	352,496	291,067
(d) Cash and bank balances	315,759	117,078
(e) Short-term loans and advances	173,718	144,978
(f) Other current assets	35,572	71,071
	<b>1,076,171</b>	815,033
<b>Total of (5) to (6)</b>	<b>6,300,341</b>	6,202,587

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

The accompanying 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 III to the Companies Act, 2013 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 27, 2016.

As per our attached report of even date

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

**Uday Shah**  
Partner  
Membership No: 46061

Place : Mumbai  
Date : May 27, 2016

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Place : Mumbai  
Date : May 27, 2016

For and on behalf of the Board of Directors

**Anil D Ambani** Chairman  
**Dr. V K Chaturvedi**  
**D J Kakalia**  
**Rashna Khan** } Director  
**N. Venugopala Rao** Chief Executive Officer  
**Ashutosh Agarwala** Chief Financial Officer  
**Ramaswami Kalidas** Company Secretary

Place : Mumbai  
Date : May 27, 2016

## Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(Statement containing salient features of Balance Sheet as per Section 136 (1) and Rule 10 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013)

Particulars	Year ended March 31, 2016 Rupees in Lakhs	Year ended March 31, 2015 Rupees in Lakhs
<b>Income</b>		
<b>Revenue from operations:</b>		
Sale of energy	1,065,858	685,065
Other operating revenues	-	5,068
Interest from customer on dealed payments	168	209
Carbon credit emission	987	-
Generation Based Incentive	-	-
<b>Net revenue from operations</b>	<b>1,067,013</b>	<b>690,342</b>
<b>Other income:</b>		
Dividend	287	1,109
Interest income	13,335	18,582
Net gain on sale / accrual of income on investments	7,401	2,689
Gain on foreign exchange fluctuations (net)	12,334	7,047
Provision written back	1,626	-
Other non-operating income	1,854	431
<b>Other income</b>	<b>36,837</b>	<b>29,858</b>
<b>Total Income</b>	<b>1,103,850</b>	<b>720,200</b>
<b>Expenses:</b>		
Cost of fuel consumed (including cost of coal excavation)	465,078	398,251
Operating expenditure	1,715	2,621
Employee benefits expense	16,741	6,559
Finance cost	257,651	107,420
Depreciation and amortization expenses	105,648	52,371
Generation, administration and other expenses	100,462	24,342
<b>Total Expenditure</b>	<b>947,295</b>	<b>591,564</b>
<b>Profit before exceptional items, tax and Minority interest</b>	<b>156,555</b>	<b>128,636</b>
<b>Exceptional items</b>		
Pre-operative expenditure pertaining to Tilaiya Ultra Mega Power Project (TUMPP) written off	13,186	-
Provision for impairment by Coastal Andhra Power Limited	52,500	-
Less : Equivalent amount withdrawn from General reserve (Refer note 11 (a))	65,686	-
Written down in the value of advances given to Employee Stock Option Scheme Trust	9,801	-
Less : Equivalent amount withdrawn from General reserve (arisen pursuant to the Composite Scheme of Arrangement) (Refer note 11 (b))	9,801	-
<b>Profit before taxation and Minority interest</b>	<b>156,555</b>	<b>128,636</b>
<b>Provision for taxation</b>		
Current tax	20,229	26,035
Deferred tax	139	-
Excess provision of earlier years written back	(7)	(231)
<b>Profit after tax and before Minority interest</b>	<b>136,194</b>	<b>102,832</b>
<b>Minority interest</b>		
	-	-
<b>Profit for the year</b>	<b>136,194</b>	<b>102,832</b>
Earnings per equity share: (Face value of ₹ 10 each) Basic and Diluted (Rupees)	<b>4.86</b>	<b>3.61</b>

The accompanying 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 27, 2016.

As per our attached report of even date

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

**Uday Shah**  
Partner  
Membership No: 46061

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

For and on behalf of the Board of Directors

<b>Anil D Ambani</b>	Chairman
<b>Dr. V K Chaturvedi</b>	}
<b>D J Kakalia</b>	
<b>Rashna Khan</b>	
	Director
<b>N. Venugopala Rao</b>	Chief Executive Officer
<b>Ashutosh Agarwala</b>	Chief Financial Officer
<b>Ramaswami Kalidas</b>	Company Secretary

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

# Reliance Power Limited

## Abridged Consolidated Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016 Rupees in lakhs	Year ended March 31, 2015 Rupees in lakhs
Cash flows from operating activities	468,207	139,912
Cash flows used in Investment activities	(112,171)	(362,965)
Cash flows from/(used in) financing activities	(318,453)	69,537
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>37,583</b>	<b>(153,516)</b>
<b>Opening Balance of cash and cash equivalents</b>		
- Balance in current account	30,616	21,727
- Balance in fixed deposit	73,198	228,592
- Cash and bank balance with ESOS Trust	-	(69)
- Effect of exchange differences on cash and cash equivalents in foreign currency	(7,080)	-
<b>Closing balance of cash and cash equivalents</b>		
- Balance in current account	76,989	30,616
- Balance in fixed deposit	57,328	73,198
- Effect of exchange differences on cash and cash equivalents in foreign currency	-	(7,080)

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

The accompanying 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 27, 2016.

As per our attached report of even date

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

**Uday Shah**  
Partner  
Membership No: 46061

Place : Mumbai  
Date : May 27, 2016

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

**Vijay Napawaliya**  
Partner  
Membership No: 109859

Place : Mumbai  
Date : May 27, 2016

For and on behalf of the Board of Directors

<b>Anil D Ambani</b>	Chairman
<b>Dr. V K Chaturvedi</b> <b>D J Kakalia</b> <b>Rashna Khan</b>	} Director
<b>N. Venugopala Rao</b>	Chief Executive Officer
<b>Ashutosh Agarwala</b>	Chief Financial Officer
<b>Ramaswami Kalidas</b>	Company Secretary

Place : Mumbai  
Date : May 27, 2016

Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

**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 ultra mega power projects (UMPP).

**2. Abridged consolidated financial statements**

The abridged financial statements have been prepared pursuant to Section 136 (1) and Rule 10 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 and are based on the annual financial statements for the year ended March 31, 2016 approved by the Board of Directors at their meeting held on May 27, 2016.

**3. (Note 2 of notes to consolidated financial statements)**

**Significant accounting policies:**

**a) Basis of accounting:**

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the relevant provisions of the Companies Act, 2013 (The "Act") and the Accounting Standards notified under the Act. The Financial Statements are prepared on an accrual basis under the historical cost convention.

**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 specified under Section 133 of the Act, read with rule 7 of the Companies (Accounting) Rules, 2014. 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, 2016.

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

(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, 2016	Proportion (%) of shareholding Year ended March 31, 2015
1	Rosa Power Supply Company Limited (RPSCL)	India	100	100
2	Sasan Power Limited (SPL)	India	100	100
3	Jharkhand Integrated Power Limited (JIPL)	India	100	100
4	Coastal Andhra Power Limited (CAPL)	India	100	100
5	Maharashtra Energy Generation Limited (MEGL)	India	100	100
6	Chitrangi Power Private Limited (CPPL)	India	100	100
7	Vidarbha Industries Power Limited (VIPL)	India	100	100
8	Siyom Hydro Power Private Limited (SHPPL)	India	100	100
9	Tato Hydro Power Private Limited (THPPL)	India	100	100
10	Kalai Power Private Limited (KPPL)	India	100	100
11	Urthing Sobla Hydro Power Private Limited (USHPPL)	India	89	89
12	Amulin Hydro Power Private Limited (AHPPL)	India	100	100
13	Emini Hydro Power Private Limited (EHPPL)	India	100	100
14	Mihundon Hydro Power Private Limited (MHPPL)	India	100	100
15	Reliance Coal Resources Private Limited (RCRPL)	India	100	100
16	Reliance CleanGen Limited (RCGL)	India	100	100
17	Rajasthan Sun Technique Energy Private Limited (RSTEPL)	India	100	100
18	Coastal Andhra Power Infrastructure Limited (CAPIL)	India	100	100
19	Reliance Prima Limited (RPrima)	India	100	100
20	Atos Trading Private Limited (ATPL)	India	100	100
21	Atos Mercantile Private Limited (AMPL)	India	100	100
22	Reliance Natural Resources Limited (RNRL)	India	100	100
23	Dhursar Solar Power Private Limited (DSPPL)	India	100	100
24	Reliance Natural Resources (Singapore) Pte Limited (RNRL-Singapore)	Singapore	100	100
25	Purthi Hydro Power Private Limited (PHPPL)	India	100	100
26	Teling Hydro Power Private Limited (TPPL)	India	100	100
27	Shangling Hydro Power Private Limited (SPPL)	India	100	100
28	Lara Sumta Hydro Power Private Limited (LHPPL)	India	100	100
29	Sumte Kothang Hydro Power Private Limited (SKHPPL)	India	100	100
30	Reliance Geothermal Power Private Limited (RGTPL) (w.e.f. January 17, 2015)	India	75	75
31	Reliance Green Power Private Limited (RGPL)	India	100	100
32	Moher Power Limited (formerly known as Bharuch Power Limited) (MPL)	India	100	100
33	Samalkot Power Limited (SMPL)	India	100	100
34	Reliance Solar Resources Power Private Limited (RSRPPL)	India	100	100
35	Reliance Wind Power Private Limited (RWPL)	India	100	100
36	RPL Sunshine Power Private Limited (Formerly known as Solar Generation Company (Rajasthan) Private Limited) (RSUNSHINEPPL) (w.e.f. July 16, 2015)	India	100	-
37	RPL Surya Power Private Limited (RSURYAPPL) (w.e.f. July 31, 2015)	India	100	-
38	RPL Solar Power Private Limited (RSOLARPPL) (w.e.f. August 26, 2015)	India	100	-

Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

Sr. No.	Name of Company	Country of Incorporation	Proportion (%) of shareholding Year ended March 31, 2016	Proportion (%) of shareholding Year ended March 31, 2015
39	RPL Sunlight Power Private Limited (RSUNLIGHTPPL) (w.e.f. August 19, 2015)	India	100	-
40	RPL Solaris Power Private Limited (RSOLARISPPL) (w.e.f. September 07, 2015)	India	100	-
41	RPL Aditya Power Private Limited (RADITYAPPL) (w.e.f. August 26, 2015)	India	100	-
42	RPL Star Power Private Limited (RSTARPPL) (w.e.f. August 07, 2015)	India	100	-
43	Reliance Power Netherlands BV (RPN)	Netherlands	100	100
44	PT Heramba Coal Resources (PTH)	Indonesia	100	100
45	PT Avaneesh Coal Resources (PTA)	Indonesia	100	100
46	PT Brayan Bintang Tiga Energi (BBE)	Indonesia	100	100
47	PT Sriwijaya Bintang Tiga Energi (SBE)	Indonesia	100	100
48	PT Sumukha Coal Services (PTS)	Indonesia	99.60	99.60

**c) Use of estimates**

The preparation and presentation of Financial Statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on the date of the Financial Statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

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

(i) Tangible assets are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment of loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use. Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standards of performance.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost (net of revenues during constructions) are disclosed under Capital Work-in-Progress.

(ii) SPL has set up an "ultra mega power plant" which comprises of six units each capable of generating 660 MW of power. On a technical evaluation, inter alia, of the integrated nature of the plant and the commercial terms of power purchase agreement (PPA) with the procurers, SPL 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, has been capitalised on completion of power plant consisting of all six units. Also refer note 24 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 power generated in the interim period, pending capitalisation, are disclosed as Capital Work-in-Progress.

(iii) Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

(iv) Construction stores have been valued at weighted average cost.

**e) Mining properties under tangible 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, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

The overburden removal costs are included in Mining properties under tangible assets and amortised based on stripping ratio on the quantity of coal excavated.

(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 stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustment arising from exchange rate variation attributable to the intangible assets.

(ii) Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under Capital Work-in-Progress.

(iii) Mining right represents directly attributable cost (other than the land cost) incurred for obtaining the mining rights for a period of thirty years and disclosed as part of intangible assets in line with the requirements of the Act.

**g) 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.

**h) Inventories:**

Inventories of tools, stores, spare parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non-refundable duties and charges incurred in bringing the goods to their present location and condition, and net realisable value after providing for obsolescence and other losses.

In case of coal stock, the measured stock is based on a verification process adopted and the variation between measured stock and book stock is charged to Statement of Profit and Loss/ Capital Work-in-Progress.

**i) Depreciation/ Amortisation:**

(i) Tangible assets:

a. Depreciation on tangible assets is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013 except in case of following assets, wherein based on internal assessment and independent technical evaluation, a different useful life has been determined.

- Motor Vehicles	5 years
- Coal Mine Heavy Earth Moving and Mining Equipment in Sasan	30 years
- Plant and Machinery of DSPPL and RSTEPL	25 years

b. Leasehold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier, except leasehold land for coal mining, which is amortised over the period of mining rights.

c. In case of VIPL, power generation and related assets are depreciated as per Part B of Schedule II to the Act based on rates prescribed in Maharashtra Electricity Regulatory Commission (Multi-year tariff) Regulations, 2011.

d. In case of RPSCL, depreciation on tangible assets is provided as per Part B of Schedule II to the Act, based on rates prescribed by Uttar Pradesh Electricity Regulatory Commission (UPERC) except in case of plant and machinery block of thermal generating assets wherein depreciation has been charged at the rate of 3.8% per annum as per the order dated May 24, 2011, issued by the Ministry of Corporate Affairs.

e. In the case of SPL, freehold land acquired for coal mining activity is amortised over the period of mining rights, considering the same cannot be used for any other purpose other than mining.

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

- f. In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.
- (ii) Intangible assets:
- a. Software expenses are amortised on a straight line basis over a period of three years.
  - b. In case of SPL, mining rights are amortised on a straight line basis over the period of thirty years i.e. the period over which the SPL has the right to carry out mining activities.
  - c. In case of VIPL, intangible assets include expenditure incurred for laying pipeline towards additional water supply. The cost incurred towards pipeline is amortised over the term of the power purchase agreement i.e. 25 years.
- j) Investments:**
- Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary in the value of the investments, such reduction being determined of value of long term investments and made for each investment individually. Current investments are valued at lower of cost and fair value.
- k) Provisions, contingent liabilities and contingent assets:**
- Provisions:** Provisions are recognised when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation.
- Contingent liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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 termed as contingent liability.
- Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made as specified in Accounting Standard 29 - "Provisions, Contingent Liability and Contingent Assets"
- Contingent Assets:** A contingent asset is neither recognised nor disclosed in the Financial Statements.
- l) Borrowing costs**
- Borrowing costs include costs that are ancillary and required as per the terms of agreement. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.
- m) Foreign currency transaction:**
- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
  - (ii) All exchange differences arising on reporting of short term foreign currency monetary items other than derivative contracts at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
  - (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Group has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:
    - Foreign exchange differences on account of depreciable asset 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/ exchange rate at which transactions actually effected.

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

- (v) The premium or discount arising at the inception on forward exchange contracts entered into to hedge an existing asset/ liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.
- (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 by marking them to market as per the announcement by Institute of Chartered Accountants of India. Any unrealised gain 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 provisional tariff order issued by UPERC. Further, the revenue is also recognised towards truing up of fixed charges as per the petitions filed based on the principles enunciated in the PPA.
- (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 Reliance Infrastructure Limited (Rinfra).
- (iii) In case of RSTEPL, revenue from sale of energy is recognised on an accrual basis and in accordance with the provisions of PPA with NTPC Vidyut Vyapar Nigam Limited (NVVN) read with CERC regulations.
- (iv) In case of Parent Company, revenue from sale of energy of 45 MW wind power project at Vashpet is recognised on an accrual basis in accordance with the provisions of PPA / sale arrangements with R infra read with the Regulations of Maharashtra Electricity Regulatory Commission (MERC).
- (v) In case of VIPL, revenue from sale of energy is recognized on an accrual basis as per the tariff rates approved by MERC in accordance with the provisions of PPA with Rinfra. Further, revenue is also recognised towards truing up of fixed charges and fuel adjustment charges as per the terms of PPA read with MERC Regulations.
- (vi) In case of SPL, revenue from sale of energy is recognized when it is measurable and there is reasonable certainty for collection, in accordance with the tariff provided in the PPA and considering the petitions filed with regulatory authorities for tariff as per the terms of PPA. The revenue accounted / accrued till the commissioning of power plant as a whole is accounted for as per the accounting policy as defined above in note 2(d).
- (vii) In case of Parent Company, Income on Generation Based incentive is accounted on accrual basis considering eligibility of project for availing the incentive.
- (viii) The surcharge on late payment / overdue trade receivable for sale of energy is recognised when no significant uncertainty as to measurement or collectability exists.
- (ix) Revenue from certified reduction units is recognised as per terms and conditions agreed with trustee on future sale of certified emission reduction units.
- (x) 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.

### o) Employee benefits:

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme and Leave Encashment.

- (i) Defined contribution plans

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

- (ii) Defined benefit plans

The 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 in the year in which they arise.

(iii) Short-term/ long-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

**p) Employee stock option scheme (ESOS)**

The employees of the Group are entitled for grant of stock option (equity shares), based on the eligibility criteria set in ESOS plan of the Group. The employee compensation expenses are accounted on the basis of "intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by The Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Group 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 Group revises its previous estimate and accordingly, recognises / (reverses) compensation cost on employee service.

**q) Accounting for taxes on income**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**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. Accordingly, assets and liabilities are accounted on the basis of statement of accounts of Joint Ventures on line by line basis according to the participating interest of the Group.

**s) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**t) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**u) 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.

**v) Earnings per share**

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

### 4. Contingent liabilities and commitments :

- a) Guarantees issued for subsidiary companies aggregating to ₹ 266,128 lakhs (Previous year ₹ 275,222 lakhs). Refer note 8 with respect to CAPL.
- b) VIPL has committed / guaranteed financial support for payment in respect of non-fund based facilities of ₹ 20,000 lakhs granted to Parent Company.
- c) In case of CAPL, Government of Andhra Pradesh has levied a penalty of ₹ 137 lakhs (Previous year: ₹ 137 lakhs) at the rate of 50% on account of non-payment of conversion fee of ₹ 274 lakhs (Previous year: ₹ 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 waiver of the above amount.
- d) In case of DSPPL, demand of ₹ 1,111 lakhs has been raised towards the provisional Unscheduled Interchanges (UI) charges from the financial year 2012-13 to financial year 2015-16 by Jodhpur Vidyut Vitran Nigam Ltd. (JdVVNL), which has been disputed by DSPPL.
- e) In case of RSTEPL, as per the terms of the PPA entered with NTPC Vidyut Vyapar Nigam Limited (NVVN), RSTEPL was required to generate minimum committed energy in the contract year subsequent to declaration of commercial operation date (COD) (Refer note 13). RSTEPL has received a demand of ₹ 2,424 lakhs towards shortfall in minimum energy supply for period from November 17, 2014 (date of COD as per the terms of PPA) to March 31, 2015. In the response to said demand, RSTEPL has communicated NVVN that the shortfall is due to factors beyond the control of RSTEPL. Considering the said facts and the terms of the PPA, RSTEPL has disputed the demand raised and no provision has been made in the financial statements for the said period and the current financial year.
- f) In case of SPL:
  - i) SPL has received claims amounting to ₹ 3,485 lakhs (Previous year: ₹ 3,485 lakhs) from a contractor towards deductions made by SPL due to non-performance of certain obligations under the terms of arrangement for the construction of certain works at the plant. The matter is under dispute and arbitration proceedings are going on.
  - ii) SPL has received claims amounting to ₹ 12,252 lakhs (Previous year: ₹ 11,560 lakhs) from a party towards consultancy and advisory services provided by them. As per the terms of arrangement between both the parties, the same would be settled by an arbitration process. The dispute also involves the jurisdiction wherein arbitration would be held between both the parties. Considering the issue is pending before the Supreme Court, the Arbitral Tribunal has not yet finalized the terms of reference.
  - iii) SPL has received a claim of ₹ 1,326 lakhs (Previous year: ₹ Nil) from a party alleging delay in declaration of commercial operation, which has been disputed by the SPL and is pending before the high court.
- g) The Parent Company has committed/ guaranteed to extend financial support in the form of equity or debt as per the agreed means of finance, in respect of the projects being undertaken by the respective subsidiaries, including any capital expenditure for regulatory compliance and to meet shortfall in the expected revenues/debt servicing.

Future cash flows in respect of all the above matters can only be determined based on the future outcome of various uncertain factors.
- h) Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for ₹ 3,280,318 lakhs (Previous year: ₹ 4,813,594 lakhs).

### 5. General Reserve (arisen pursuant to composite scheme of arrangement):

The General Reserve of ₹ 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.

### 6. Applicability of NBFC Regulations:

The Parent Company, based on the objects given in the Memorandum of Association, its role in construction and operation of power plants through its subsidiaries and other considerations, has been legally advised that it is not covered under the provisions of Non-Banking Financial Company as defined in Reserve Bank of India Act, 1934 and accordingly, is not required to be registered under section 45 IA of the said Act.

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

7. Consolidated financial statements, includes a financial statement of RNRL-Singapore which reflects total assets of ₹ 179,282 lakhs and net assets of ₹ 179,264 as at March 31, 2016, total revenues of ₹ 12,190 lakhs, profit before tax of ₹ 2,332 lakhs and cash outflow of ₹ 2,317 lakhs for the year ended on that date are unaudited and have been considered based on Management certified financial statements.

### 8. Project status of Coastal Andhra Power Limited (CAPL):

CAPL has been set up to develop an Ultra Mega Power Project (UMPP) of 3,960 MW capacity located in Krishnapatnam, District Nellore, based on imported coal.

CAPL had entered into a firm price fuel supply agreement which envisaged supply of coal from Indonesia with RCRPL, a wholly owned subsidiary of the Parent Company. In view of below mentioned new regulation, RCRPL cannot supply coal at the already agreed price, because of which there is a risk of inability to pass through market linked prices of imported coal for the project, whereas 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 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. 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.

Since no resolution could be arrived, CAPL invoked the dispute resolution provision of PPA. The procurers have also issued a notice for termination of PPA and have raised a demand for liquidated damages of ₹ 40,000 lakhs (including bank guarantee of ₹ 30,000 lakhs, which has been issued by the Parent 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 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. The interim protection against encashing bank guarantees continues to be available.

CAPL has also filed a petition before the Central Electricity Regulatory Commission (CERC) without prejudice to the proceedings pending before the Delhi High Court and the arbitration process has already initiated. During the course of the CERC proceedings, the power procurers contended that the petition could not be taken up for hearing by CERC since the matter was pending at High Court. CAPL, in response contended that both proceedings are different and independent. The CERC petition did not raise issue of notice of termination. Considering appeal is pending before the Delhi High Court, CERC has disposed off the petition vide its order dated 06.08.2015 with a liberty to the Petitioner to approach the Commission at appropriate stage in accordance with law.

Based on the impairment assessment, considering the current status of the project, nature of expenditure incurred and estimated timeline for settlement of this matter, CAPL has made a provision for impairment of ₹ 52,500 lakhs as an exceptional item in the Statement of Profit and Loss Account. Also, refer note 11 (a) below.

### 9. Project status of Samalkot Power Limited (SMPL):

SMPL is in the process of constructing a gas based power plant at Kakinada, which based on the current circumstances, has planned its construction work and consequential commercial operations thereafter progressively starting from 2017 - 2018 and it has incurred an aggregated cost of ₹ 920,141 lakhs as at March 31, 2016. SMPL has applied for allocation of gas and Ministry of Petroleum and Gas (MoPNG) is yet to allocate the gas linkage. Considering that the gas availability in the country has dropped significantly and also based on gas availability projected scenarios in subsequent years. SMPL is actively pursuing / making representations with various government authorities to secure the gas linkage / supply and is evaluating alternative arrangements / various approaches to deal with the situation in respect of its 2,262 MW (754 MW X 3) gas based power project.

SMPL is also exploring options for relocating the project, partially or fully, to other countries and in this context the Parent Company has entered into a Memorandum of Understanding with Government of Bangladesh (GoB) for developing gas project of 3,000 MW capacity. Subsequent to the year end, GoB has given an in principle approval for setting up of a 754 MW project at Meghnaghat, together with setting up of a Floating Storage and Regasification Unit (FSRU) based Liquefied Natural Gas (LNG) terminal at Maheshkhali, for which project agreement are being negotiated. In view of the above developments, SMPL is presently continuing with implementation of 1,508 MW (754 MW X 2) at existing location and plans to relocate the balance 754 MW capacity (754 MW X 1) to Bangladesh.

The Assets proposed to be relocated to Bangladesh aggregating to ₹ 208,564 lakhs have been disclosed as "Capital work-in-Progress" considering the project is implemented by the group.

Based on the business plans and valuation assessment, the group is confident that the carrying value of the net assets of the SMPL is appropriate and does not require any adjustments in the financial statements.

### 10. Project status of Jharkhand Integrated Power Limited (JIPL):

JIPL, has been set up to develop Ultra Mega Power Project (UMPP) of 3960 MW located in Tilaiya, Hazaribagh District, Jharkhand. The project being developed by JIPL was awarded to the Company through International Competitive Bidding (ICB), under the UMPP regime. Consequently JIPL was handed over to the Company on August 7, 2009 by Power Finance Corporation (PFC). JIPL has signed PPA with 18 procurers in 10 states for 25 years. For fuel security, the project was allocated Kerendari B & C captive coal mine block.

As per the PPA between JIPL and the Procurers, the Procurers were obligated to comply with conditions subsequent to entering the PPA which inter-alia required providing requisite land for the Project within 6 months of the Project Transfer. Considering the status of the project and updates from the procurers, the Company terminated the PPA on April 28, 2015 as per the option available therein. The procurers have also agreed to the termination of the PPA by JIPL and have agreed to pay certain expenditure incurred by JIPL on the project pursuant to the minutes of meeting dated November 03, 2015. It has also been agreed that the shares held by the Company in JIPL would be transferred to the Procurers upon completion of the final settlement.

Considering the said settlement process, the Company has taken over the balance expenditure of ₹ 13,186 lakhs in the books of the Company and charged off the same in the Statement of Profit and Loss Account as an exceptional item. Also, refer note 11(a) below.

### 11. Exceptional items:

a) Pursuant to the Scheme of Amalgamation with Erstwhile Reliance Clean Energy Private Limited (RCEPL), sanctioned by the Hon'ble High Court of Bombay vide order dated April 05, 2013, the Parent Company is permitted to offset any exceptional /extraordinary items of the Parent Company and its Subsidiary, as determined by the Board of Directors, debited in the Consolidated Statement of Profit and Loss by a corresponding withdrawal from General Reserve.

During the year ended March 31, 2016, the Board of Directors of the Parent Company, in terms of the aforesaid Scheme, have identified expenditure write off of ₹ 13,186 lakhs in relation to Tilaiya Ultra mega Power Project (Refer note 10 above) and provision for impairment of ₹ 52,500 lakhs made in the books of CAPL (Refer note 8 above) as exceptional items, which have been debited to Consolidated Statement of Profit and Loss and withdrew an equivalent amount from General Reserve and credited to the Consolidated Statement of Profit and Loss.

b) Similarly, pursuant to the Composite Scheme of Arrangement sanctioned by the High Court of Bombay on October 15, 2010 (refer note 5 above), the Parent Company is permitted to offset any expense or loss which in the opinion of the Board of Directors is related to factors such as variation in exchange rates which are beyond the control of the Parent Company, debited in the Consolidated Statement of Profit and Loss by a corresponding withdrawal from General Reserve.

During the year ended March 31, 2016, the Board of Directors of the Parent Company, in terms of the aforesaid Scheme has identified the write down in the value of advance by ₹ 9,801 lakhs given to ESOS trust for purchase of shares as an exceptional item (Refer note 14 below), which is beyond the control of the Parent Company, which have been debited to Consolidated Statement of Profit and Loss and withdrew an equivalent amount from General Reserve (arisen pursuant to the Composite Scheme of Arrangement) and credited to the Consolidated Statement of Profit and Loss.

Had such withdrawal not been done, the Group would have Profit before tax of ₹ 81,068 lakhs and General Reserve would be higher by ₹ 65,686 lakhs and General Reserve (arisen pursuant to the Composite Scheme of Arrangement) would be higher by ₹ 9,801 lakhs. The above treatment prescribed by the above Schemes overrides the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies and Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

### 12. Status of Dadri Project:

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 in the year 2003. The state of Uttar Pradesh (The State) in the year 2004 acquired 2,100 acres of land and conveyed the same to the Parent Company in the year 2005. The acquisition of land by the state for the project was challenged by certain land owners in the Allahabad High Court. The High Court quashed a part of acquisition proceedings by the State and directed them to fulfill certain compliances. Subsequent to the judgment of High Court on compliances and procedures relating to land acquisition the Parent Company filed an appeal before Supreme Court. Before the pronouncement of judgment by the Supreme Court, the Parent Company submitted an affidavit stating its inability to continue with the project because of the difficulty in securing the gas supply for the project. The Supreme Court in its order disposed off the appeal and upheld the right of the Parent Company to recover the amount paid towards the land acquired and conveyed to it by the State on its return to the State.

The Parent Company has already conveyed its intent to return the acquired land to Government of Uttar Pradesh and raised the claim for the cost incurred on the land acquisition as well as other incidental expenditure thereto.

The Parent Company has realized amount of ₹ 2,522 lakhs from the Government of Uttar Pradesh and the balance amount is expected to be recovered in the future.

Considering the above facts, the Group has classified assets related to Dadri project under 'other current assets' as 'assets held for sale' and 'advance recoverable towards land'.

**13. Status of RSTEPL Project:**

RSTEPL has declared its Concentrated-Solar Power (CSP) plant as commercially operational (COD) on November 17, 2014 as per the terms of PPA, against the scheduled commissioning date of March 07, 2014. The Expert Committee constituted by Ministry of New and Renewable Energy (MNRE) has recommended extension of Scheduled Commercial Date (SCD) till December 31, 2014 without levy of any penalty. Accordingly, RSTEPL, along with other CSP developers, has filed an application / petition with CERC for extension of SCD and the final order is awaited. RSTEPL is of the opinion that there will not be any financial implications due to delay in achieving COD.

Necessary technical upgrades of the plant are under process to operate the plant at its intended capacity. Accordingly, RSTEPL has continued capitalization of preoperative expenditure and Interest during construction (net of revenue during constructions) as capital work-in-progress.

**14. 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 Reliance Power ESOS Trust ("RPET").

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 ₹ 10 each of the Parent Company at an exercise price of ₹ 162 per share. Pursuant to the amendments made to the ESOS Scheme as approved by the ESOS Compensation Committee of the Board, effective from April 01, 2014, the Independent Directors of the Group shall not be eligible to participate in the Scheme. Further, the exercise period of the vested options may be different for different plans and shall not be longer than ten years from the date of vesting.

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

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	₹ 140.20	
Exercise price	₹ 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	₹ 50.42	
	<b>2015-16</b>	2014-15
Opening balance of options	<b>8,500,000</b>	8,500,000
Options granted during the year	-	-
Vested during the year	-	-
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.

The Parent Company had in earlier years given an advance of ₹ 14,000 lakhs to RPET for purchase of its shares from the open market, as per the ESOS plan of the Parent Company. RPET had, in turn in earlier years purchased 8,500,000 equity shares of the Parent Company. In accordance with SEBI (ESOS and ESPS) Guidelines, 1999 and as per the opinion issued in January 2014 by Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India ("ICAI"), the Parent Company had consolidated financial statement of RPET with the Parent Company's financial statements as at March 31, 2014 Pursuant to revised guidelines issued by SEBI on ESOS- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 dated October 28, 2014, accounting for shared based schemes should be done based on the requirements of Guidance Note on Accounting for Share based Payments wherein consolidation of trust is prohibited. Consequently, considering the regulatory change, the Parent Company has changed its accounting policy with respect to consolidation of RPET and restated

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## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

the face value of equity shares (held by RPET) which was deducted from the paid up share capital and balance ₹ 13,082 lakhs (net of bank balance of RPET) which was grouped under the securities premium account, with a corresponding adjustment to "Advance to RPET" in the previous year.

Further, considering the current market value of the shares, option exercise price and other factors, the Parent Company has written down the value of advances given to the RPET by ₹ 9,801 lakhs in the Statement of Profit and Loss Account as an exceptional item. (Also refer note 11(b) above).

### 15. Exchange differences on foreign currency monetary items:

In respect of exchange rate difference arising on long term foreign currency monetary items, the Group has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the Group has adjusted exchange loss of ₹ 72,161 lakhs (Previous year loss of ₹ 11,295 lakhs) to the cost of tangible assets and ₹ 35,844 lakhs (Previous year loss of ₹ 67,646 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 also 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"

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

The Group has classified various employee benefits as under:

#### Defined contribution plans

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

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

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

	Rupees in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
(a) Contribution to provident fund	462	568
(b) Contribution to employees' superannuation fund	35	43
(c) Contribution to employees' pension scheme 1995	241	165

#### 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	
	2015-16	2014-15	2015-16	2014-15
Discount Rate (per annum)	7.80%	8.90%	7.80%	7.85%
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	10.09	3 to 17	-	-

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 consolidated financial statements as of and for the year ended March 31, 2016

Particulars	Rupees in lakhs			
	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
<b>(i) Changes in present value of obligation</b>				
Opening balance of present value of obligation	1,507	1,389	1,105	1,129
Liability on transfer of employees (net)	(24)	-	(43)	-
Interest cost	132	138	113	131
Current service cost	299	289	488	439
Actuarial (gain)/ loss	89	(152)	(182)	(301)
Benefits paid	(225)	(157)	(246)	(293)
Closing balance of present value of obligation	1,778	1,507	1,235	1,105
<b>(ii) Changes in fair value of plan assets</b>				
Opening balance of present value of plan assets	1,330	1,182	-	-
Assets on transfer of employees	(33)	-	-	-
Expected return on plan assets	108	105	-	-
Employer's contributions	64	74	187	218
Actuarial gain/ (loss) on plan assets	(54)	89	-	-
Benefits paid	(225)	(120)	(187)	(218)
Amount not recognised as an asset (para 59 (b))	(14)	-	-	-
Closing balance of fair value of plan assets	1,176	1,330	-	-
<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	1,778	1,507	1,235	1,105
Closing balance of fair value of plan assets	1,176	1,330	-	-
Funded (asset)/ liability recognised in the Balance Sheet (Net)*	544	117	-	-
Unfunded liability recognised in the Balance Sheet	58	60	1,235	1,105
<b>(v) Amount recognised in the Balance Sheet</b>				
Closing balance of present value of obligation	1,778	1,507	1,235	1,105
Closing balance of fair value of plan assets (including pending transfer)	1,176	1,330	-	-
Funded (asset)/ liability recognised in the Balance Sheet (Net)*	544	117	-	-
Unfunded liability recognised in the Balance Sheet*	58	60	1,235	1,105

# Reliance Power Limited

Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

Particulars	Rupees in lakhs			
	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
<b>(vi) Expenses recognised in the Statement of Profit and Loss / Capital work-in-progress</b>				
Current service cost	299	289	488	439
Interest cost	132	138	115	131
Expected return on plan assets	(107)	(98)	-	-
Net actuarial (gain)/loss	143	(241)	(182)	(301)
Effects of limit as per para 59(b)	9	4	-	-
Total expenses recognised during the year (Net)**	476	92	421	269
<b>(vii) Actuarial (gain) / loss on obligation</b>				
Net actuarial (gain)/ loss due to experience	133	(364)	(238)	(348)
Net actuarial (gain)/ loss due to change in assumption	9	123	56	47
<b>(viii) Expected employers' contribution for the next year</b>	199	102	26	36

\* Reflected under long-term loans and advances ₹ 31 lakhs (previous year: ₹ 58 lakhs)

\*\* Expenses during the year towards leave encashment is net of provision written back ₹ 19 lakhs reflected under other income.

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

	Rupees in lakhs				
	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Gratuity</b>					
(a) Present value of the defined benefit obligation	1,778	1,507	1,389	1,125	704
Fair value of the plan assets	1,176	1,330	1,182	1,100	827
(Surplus)/Deficit in the plan	602	177	207	25	(123)
(b) Experience adjustments					
On plan liabilities (gain)/loss	80	(275)	105	36	(48)
On plan assets gain/(loss)	(54)	89	(24)	15	8
Total experience adjustments	134	364	129	21	(56)
<b>Leave encashment</b>					
(a) Present value of the defined benefit obligation	1,235	1,105	1,129	1,121	698
Fair value of the plan assets	-	-	-	-	-
Deficit in the plan	1,235	1,105	1,129	1,121	698
(b) Experience Adjustments					
On plan liabilities	(238)	(348)	(103)	43	(234)
On plan assets	-	-	-	-	-
Total experience adjustments	(238)	(348)	(103)	43	(234)

Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

17. Segment Reporting:

The Group 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 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, 2016				Year ended March 31, 2015					
	Power Generation	Others	Unallocable	Eliminations	Total	Power Generation	Others	Unallocable	Eliminations	Total
<b>Revenue</b>										
External revenue	1,067,013	-	-	-	1,067,013	690,342	-	-	-	690,342
Inter segment revenue	-	4,132	-	(4,132)	-	-	9,101	-	(9,101)	-
Total revenue	1,067,013	4,132	-	(4,132)	1,067,013	690,342	9,101	-	(9,101)	690,342
<b>Result</b>										
Segment result	385,987	-	-	-	385,987	202,454	-	-	-	202,454
Corporate income (net of corporate expenses)	-	-	14,884	-	14,884	-	-	15,020	-	15,020
Interest and finance charges (net of interest income)	-	-	(244,316)	-	(244,316)	-	-	(88,838)	-	(88,838)
Profit before taxation	385,987	-	(229,432)	-	156,555	202,454	-	(73,818)	-	128,636
Taxes*	-	-	20,361	-	20,361	-	-	25,804	-	25,804
Profit after tax	385,987	-	(249,793)	-	136,194	202,454	-	(99,622)	-	102,832
<b>Other information</b>										
Segment assets	5,986,726	-	313,615	-	6,300,341	5,808,512	-	394,075	-	6,202,587
Segment liabilities	4,088,703	-	120,865	-	4,209,568	3,966,358	-	172,879	-	4,139,237
Capital expenditure (net)	191,770	-	1,122	-	192,892	417,206	-	126	-	417,332
Depreciation	178,008	-	409	-	178,417	101,544	-	599	-	102,143
Non cash expenses other than depreciation	3,629	-	33	-	3,662	1,813	-	2,039	-	3,852

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

# Reliance Power Limited

Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

## 18. Related party transactions:

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

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

#### Companies

Reliance Infrastructure Limited (R Infra)

#### Individual

Shri Anil D. Ambani (Chairman)

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

#### (i) Key Management Personnel

##### **For Parent Company**

Shri N. Venugopala Rao (Chief Executive Officer) (w.e.f. October 13, 2015)

Shri Ashutosh Agarwala (Chief Financial Officer) (w.e.f. September 26, 2014)

Shri Ramaswami Kalidas (Manager and Company secretary)

##### **For Subsidiary Companies**

Shri N. Venugopala Rao

Shri Arvind Singh

Shri Laxmi Dutt Vyas

Shri Karunesh Kumar Mishra

Shri Ashish Deshpande

Shri Ashwin H. Purohit\*

Shri Potnuru Nagavenu

Shri Manish Bothra\*

Shri Saurabh Garg\*

Shri Suresh Nagrajan\*

Shri Paresh Rathod\*

Shri Jay Shah\*

Shri Mandar Kurghode\*

Smt. Priyadarshini Mahapatra\*

Ms. Viplavi Sonalkar\*

Ms. Nilakshi Sagvekar\*

\* no transactions taken place during the year

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

Reliance Communications Limited (R Com)

Reliance Capital Limited (RCL)

C. Details of transactions and closing balances:

Particulars	Rupees in lakhs	
	2015-16	2014-15
<b>Transactions during the year:</b>		
<b>Sale of energy</b>		
- R Infra	4,622	4,522
<b>Remuneration to Key Management Personnel</b>		
- Shri N. Venugopala Rao	134	49
- Shri Ramaswami Kalidas	69	50
- Shri Ashutosh Agarwala	226	99
- Shri Asim De	42	-
- Shri Laxmi Dutt Vyas	37	10
- Shri Potnuru Nagavenu	12	8
- Shri Arvind Singh	42	7
- Shri Ashish Deshpande	15	7
- Shri Karunesh Mishra	6	-
<b>Sitting Fees</b>		
- Shri Anil D. Ambani	2	2
<b>Reimbursement of Expenses</b>		
- R Infra	61	-
<b>Interest paid</b>		
- R Infra	3,268	8,834
<b>Redemption of non convertible debentures</b>		
- R Infra	-	110,000
<b>Inter corporate deposit received</b>		
- R Infra	42,500	139,000
<b>Refund of Inter corporate deposit</b>		
- R Infra	75,146	85,085
<b>Closing Balances</b>		
<b>Other current liabilities</b>		
- R Infra	2,873	6,113
<b>Short term borrowings- Inter corporate deposits</b>		
- R Infra	21,269	53,915
<b>Trade receivables and other current assets</b>		
- R Infra	477	413

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

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

### 19. Earnings per share:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Profit available to equity shareholders</b>		
Profit after tax (A) (Rupees in lakhs)	136,194	102,832
<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)	4.86	3.68
Nominal value of an equity share (Rupees)	10	10

### 20. Interest in joint control 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 (R Prima), PI in two CBM blocks in Rajasthan is held by Atos Trading Private Limited (ATPL), PI in CBM block in Madhya Pradesh is held by Coastal Andhra Power Infrastructure Limited (CAPIL) and PI in CBM block in Andhra Pradesh is held by Atos Mercantile Private Limited (AMPL).

During the year, the Group has accounted for ₹ 96 lakhs (Previous year: ₹ 96 lakhs) towards its share of expenditure on survey and prospecting activities.

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

Name of the Subsidiary	Name of the field in Joint Venture	Location	Interest (%)
Coastal Andhra Power Infrastructure Limited	SP (N) CBM-2005/III	Sohagpur, Madhya Pradesh	45
Atos Mercantile Private Limited	KG (E) CBM-2005/III	Kothagudem, Andhra Pradesh	45
Atos Trading Private Limited	BS (4) CBM-2005/III	Barmer, Rajasthan	45
Atos Trading Private Limited	BS (5) CBM-2005/III	Barmer, Rajasthan	45
Reliance Prima Limited	MZ-ONN-2004 / 2	Mizoram	10

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

	Rupees in lakhs	
	As at March 31, 2016	As at March 31, 2015
<b>Current assets</b>		
Inventories	339	339
Short term loan and advances	7	13
Cash and bank balance	6	14
<b>Current liabilities</b>		
Other current liabilities	2	4

During the year 2013, PSC of Oil & Gas block in Mizoram, wherein R Prima (subsidiary of Reliance Power Limited) has a participating interest of 10%, was terminated by the Government of India pursuant to discovery of misrepresentation by the Operator of the block, M/s. Naftogaz India Private Limited. Pursuant to such termination, R Prima has represented to the Government of India that it was not aware about the misrepresentation of 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.

Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

21. Provision for Mine closure expenses (in case of SPL):

	Rupees in lakhs	
	As at March 31, 2016	As at March 31, 2015
Balance as at beginning of the year	9,326	3,474
Additions	1,675	5,852
Amount used/reversed	-	-
Balance as at the end of the year	11,001	9,326

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

22. The information as required by para 35 of the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs) relating to certified emission rights are as follows:

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
a)	No. of CERs held as inventory and the basis of valuation	-	-
b)	No. of CERs under certification	64,144	66,871
c)	Depreciation and operating and maintenance costs of Emission Reduction equipment expensed during the year	-	-

23. Foreign currency exposure:

a) Particulars of derivative instruments

Instrument acquired for hedging	As at March 31, 2016		As at March 31, 2015	
	No. of instruments	Principal Notional Amount (USD lakhs)	No. of instruments	Principal Notional Amount (USD lakhs)
Interest rate swap	6	2,216	5	748
Call spread	23	4,757	13	6,562
Long term forward contract	5	1,000	-	-
Short term forward contract	31	5,239	39	2,150
Seagull option	-	-	2	1,352
Cross currency swap	1	134	2	245

No derivative instruments have been acquired for speculation purposes.

b) Foreign currency exposures not hedged by derivative instrument or otherwise are as follows:

Particulars	As at March 31, 2016		As at March 31, 2015	
	In USD lakhs	Rupees in lakhs	In USD lakhs	Rupees in lakhs
Borrowings including interest accrued but not due	15,646	1,037,844	16,945	1,060,606
Creditors for capital expenditure and retention	5,920	392,666	5,717	357,805
Premium payable in foreign currency	412	27,328	452	28,286

24. 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), after considering the opinions taken from the experts in accounting and technical and also views expressed by the industry association, SPL has concluded that the entire plant, as envisaged in the PPA, would be taken as a unit of measurement for the purpose of capitalisation rather than unit wise completion. Accordingly, the whole power plant consisting of all six units on commencement of commercial production, i.e., where in commercial 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.

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

Accordingly, upto the date of capitalisation, the revenues and direct operational expenses related to the units of power generated in the interim period are adjusted to the Capital Work-in-Progress. In the previous year, the whole power plant consisting of all six units has commenced commercial operation and accordingly has been capitalised.

25. In the case of SPL, the revenue recognised under Statement of Profit and Loss/ tangible assets (capitalised) / decapitalised during the year includes:
- Amount of ₹ 70,918 lakhs (net) (Statement of Profit and Loss ₹ 76,265 lakhs; Tangible assets ₹ (5,347 lakhs)) for the period August 2013 to March 2016 towards increase in clean energy cess, royalty, excise duty, electricity duty and energy development cess based on the CERC order dated February 19, 2016 and December 31, 2015 towards compensation on account of change in law.
  - Amount of ₹ 1,576 lakhs (Statement of Profit and Loss ₹ 1,061 lakhs; Tangible assets ₹ 514 lakhs) for the period August 2013 to March 2016 towards reimbursement of expenses incurred for sustainable allowance, pension and school expenses as per CERC Order dated November 18, 2015.
  - Amount of ₹ 3,151 lakhs towards District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) contribution amount payable to Government and excise duty payable on coal due to difference in valuation ₹ 1,298 lakhs (Statement of Profit and Loss ₹ 502 lakhs; Tangible assets ₹ 796 lakhs) for which the petition is in the process of being filed based on the same principles as approved by CERC earlier in its order dated February 19, 2016.

The above amounts have been recognised in the Consolidated Statement of Profit and Loss / Tangible assets based on the accounting policy (refer note 2 (d) and 2 (n)). Also as on March 31, 2016, SPL has not billed revenue amounting to ₹ 5,068 lakhs and has disclosed the said amount as 'Unbilled revenue' under the head 'other current assets'.

26. SPL has reversed a provision of ₹ 90,617 lakhs made towards a regulatory matter with respect to commercial operation date for the first unit of project as per the terms of PPA based on the order dated March 31, 2016 received from Appellate Tribunal of Electricity (ATE). SPL has adjusted ₹ 89,010 lakhs against the cost of assets and the balance amount of ₹ 1,607 lakhs has been credited to the Consolidated Statement of Profit and Loss Account, considering the said revenue / provision pertains to a period prior/ post date of capitalisation of project.
27. SPL has entered into a tripartite Engineering, Procurement and Construction (EPC) contract in year 2008 with R infra and Reliance Infra Projects (UK) Limited (RIPUL) for construction / supply of equipments of the power plant and coal mine. As per the terms of the said contract and subsequent amendments / memorandum of understanding thereto, SPL has accounted an additional capital work in progress / tangible assets aggregating to ₹ 99,526 lakhs and ₹ 1,933 lakhs (Previous year: ₹ 60,270 lakhs and ₹ 33,212 lakhs) towards material / services and other allied cost received from R infra and RIPUL, respectively. As against the above referred contract, SPL has paid during the year an additional advance of ₹ 20,959 lakhs (Previous Year: 3,973 lakhs) and the closing outstanding balance for R infra: creditors ₹ Nil (Previous year: ₹ 1,785 lakhs); retention money ₹ 7,202 lakhs (Previous year: ₹ 46,023 lakhs); advance ₹ 28,156 lakhs (Previous year: ₹ 51,781 lakhs) and for RIPUL: creditors ₹ 17,447 lakhs (Previous year: ₹ 18,646 lakhs); retention money ₹ 85,080 lakhs (Previous year: ₹ 80,280 lakhs).
28. RPSCL has filed a multiyear tariff petition for the period April 1, 2014 to March 31, 2019. Pending approval of the said tariff, RPSCL has billed UPPCL based on the provisional tariff order issued by UPERC. Considering no uncertainty involved, RPSCL has also billed revenue towards truing up of fixed charges year on year aggregating ₹ 49,234 lakhs (Previous year: ₹ 40,022 lakhs) based on the petitions filed with UPERC, which are pending approval.
29. RPSCL is liable to pay entry tax on inter-state purchase of certain goods under "Uttar Pradesh Tax on Entry of Goods in Local Area Act, 2007". As per Uttar Pradesh Power Policy 2003 read with Notification 1770 dated July 5, 2004 issued by the Government of Uttar Pradesh, RPSCL is eligible for grant of a moratorium period of nine years from the date of commencement of operation for payment of 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 on completion of moratorium period.
30. RPSCL is liable to pay value added tax on purchase of goods under "Uttar Pradesh Tax on Entry of Goods into Local Area Act, 2007". 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 nine years from the date of commencement of operation, for payment of value added tax. Accordingly, considering the said policy, RPSCL is filing the returns and would make the payments to the regulatory authorities on completion of moratorium period.
31. RPSCL has received notice of demand from Shahajanpur division of Forest Department, for levy of transit fees under Indian Forest Act, 1927 on transport of coal. The levy of transit fee has been challenged by the RPSCL along with other affected parties before various judicial bodies. Presently, the matter is pending before the Hon'ble Supreme Court of India. As per an Interim order pronounced by Supreme Court, the State of Uttar Pradesh shall be free to recover transit fee for Forest Produce removed within the State of Uttar Pradesh. As RPSCL coal is sourced from states other than the State of Uttar Pradesh, RPSCL is not subjected to such levy. Further, in the eventuality of any liability accruing on this matter and this being part of cost of fuel, it is recoverable from the procurer as per the terms of the PPA.

**Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016**

32. The Parent Company, through its subsidiary Maharashtra Energy Generation Limited ("MEGL"), had signed Memorandum of Understanding with Government of Maharashtra (GoM) to set up 4000 MW power project at Shahapur, Raigad District. MEGL expected that the Shahapur project will require 2,500 acres of land for the Power Project. However, the land acquisition procedures could not be completed within the stipulated period and hence MEGL informed the GoM, vide letter dated September 6, 2011, of its decision not to pursue the project. Based on the Honorable High Court Order dated February 7, 2013, MEGL has received ₹ 3,716 lakhs in the financial year ended March 31, 2013, out of the total advance of ₹ 4,360 lakhs paid to the GoM for acquisition of land. The balance amount of ₹ 644 lakhs receivable from the GoM is in the process of recovery. Shetkari Sangharsh Samitee has filed Special Leave Petition in the Honorable Supreme Court against the Company, requesting for the stay on the Bombay High Court Order, directing refund of MEGL deposits by the GoM.
33. In the 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.
34. In the case of SMPL, the 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 Honourable Supreme Court of India claiming the benefits of Mega project. Pending resolution of the matter, SMPL is clearing the goods by paying the customs duty. The goods which have not been cleared have been stored in a customs bonded warehouse.
35. SMPL had awarded a turnkey EPC contract to R infra. Based on the terms of the said contract and subsequent amendments thereto, SMPL has received material / services amounting to ₹ 12,799 lakhs (Previous year: 10,438 lakhs) and the outstanding balance as at the year end is creditors of ₹ 8,860 lakhs (Previous year: ₹ 176,744 lakhs), retention money of ₹ 7,521 lakhs (Previous year: ₹ 75,665 lakhs and advance ₹ 7,521 lakhs (Previous year: ₹ 18,747 lakhs). Also refer note 44 below.
36. VIPL has declared commercial operations for phase one and two of 300 mega watts each with effect from March 04, 2014 and March 28, 2014, respectively against which the VIPL has received a final tariff order on March 09, 2015 from MERC. Pending approval of MERC, revenue amounting to ₹ 41,523 lakhs (Previous year: ₹ 53,998 lakhs) has been recognized in respect of the variations in fuel prices and other parameters from the norms prescribed by MERC and has been billed to the customer based on the principles enunciated in the PPA and MERC regulations.
- Considering no uncertainty involved, VIPL has accrued revenue amounting to ₹ 5,064 lakhs (Previous year: ₹ 5,192 lakhs) towards truing up of revenue which will be billed on approval of petitions filed with MERC.
37. VIPL has entered into a long term PPA with R Infra, Mumbai distribution with effect from April 1, 2014 for sale of entire installed capacity of 600 MW and same is duly approved by the MERC. As per the terms of the PPA and applicable MERC Regulations, VIPL has billed during the year ₹ 203,109 lakhs (Previous year: ₹ 200,064 lakhs) towards energy supplied to R Infra which also includes incentives. The outstanding balance against the said transaction as at the year end is ₹ 43,691 lakhs (Previous year: ₹ 43,664 lakhs). Also refer note 36 above for unbilled amount.
- VIPL had awarded the turnkey EPC contracts to R Infra and Reliance Infra Project (UK) Limited (RIPUL) for construction of the power plant. As against the said contracts and further amendments thereto, during the year, VIPL has received from R Infra and RIPUL material / services amounting to ₹ 2,058 lakhs (Previous year: ₹ 5,315 lakhs) and ₹ 135 lakhs (Previous year: ₹ 699 lakhs) respectively. As against the said contracts, the outstanding balance as at the year end for R Infra: creditors for capital expenditure ₹ Nil (Previous year: ₹ 5,377 lakhs), retention money payable ₹ Nil (Previous year: ₹ 21,336 lakhs) and advances ₹ 950 lakhs (Previous year: ₹ Nil) and for RIPUL: creditors for capital expenditure ₹ 663 lakhs (Previous year: ₹ 1,039 lakhs), retention money ₹ NIL (Previous year: ₹ 7,510 lakhs) and advance ₹ NIL (Previous year: ₹ 50 lakhs).
38. As per the terms of EPC contract entered by RSTEPL for construction of power plant with R Infra, RSTEPL has received material / services during the year aggregating ₹ 1,377 lakhs (Previous year: ₹ 7,318 lakhs). As against the said contract the outstanding balance as at the year end is advance balance towards EPC contract ₹ 4,054 lakhs (net of retention payable ₹ 5,542 lakhs) (Previous year: ₹ 7,423 lakhs (net of retention ₹ 5,332 lakhs)). In addition, RSTEPL has received refund of ₹ 1,350 lakhs from R Infra on account of cancellation of township contract.
39. DSPPL has entered into a PPA with R Infra for a period of 25 years and as per the terms of PPA, in the current contract year, DSPPL has sold energy of ₹ 11,777 lakhs (Previous year: ₹ 12,271 lakhs) to R Infra. The outstanding balance as on March 31, 2016, pertaining to sale of energy is ₹ 2,116 lakhs (Previous year: ₹ 1,995 lakhs). DSPPL has also entered into EPC contract with R Infra for construction of Power Plant. As against the said contract, DSPPL has received material / services during the year aggregating to ₹ Nil (Previous year: ₹ 3,254 lakhs), and the outstanding balance as at the year end is advance balance of ₹ 35 lakhs (Previous year ₹ 635 lakhs). During the year, R Infra has also refunded advance of ₹ 600 lakhs which was paid towards cancellation of township contract..

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

### 40. Deferred Tax

- a) The wind power project at Vashpet in the books of Parent Company is eligible for a tax holiday under Section 80- IA of Income Tax Act, 1961. The Parent Company has recognized deferred liability of ₹ 139 lakhs on account of timing difference originating as on the date and reversing after the tax holiday period with respect to depreciation on assets relating to wind power project. The Parent Company has not recognised deferred tax asset on accumulated business loss of the Parent Company as per Income Tax Act in lieu of virtual certainty supported by convincing evidence.
- b) SPL is eligible for tax holiday under Section 80- IA of Income Tax Act, 1961. Deferred tax liability due to timing difference on account of depreciation, originating as on the Balance Sheet date and reversing after the tax holiday period amounting to ₹ 145,873 lakhs has been set off against deferred tax asset on accumulated business loss and unabsorbed depreciation under Income Tax Act, 1961. SPL has not recognised deferred tax assets on balance business loss and unabsorbed depreciation based on consideration of prudence and virtual certainty.
- c) DSPPL is availing tax holiday under Section 80- IA of Income Tax Act, 1961. Deferred tax asset for timing difference on account of depreciation, originating as on the Balance Sheet date, is reversing during the tax holiday period. Hence, there is no deferred tax asset / liability to be recognised in the financial statement on account of timing difference.
- d) VIPL is eligible for tax holiday under Section 80- IA of Income Tax Act, 1961. Deferred tax liability due to timing difference on account of depreciation, originating as on the Balance Sheet date and reversing after the tax holiday period amounting to ₹ 35,492 lakhs (Previous year: ₹ 52.726 lakhs) has been set off against deferred tax asset on unabsorbed depreciation and business loss under Income Tax Act, 1961. Balance deferred tax asset of on unabsorbed depreciation has not been recognized based on consideration of prudence and virtual certainty.

41. LHPPL, PHPPL, SPPL, SKHPPL and TPPL, developing together around 672 MW of Hydro power projects on built, own, operate and transfer (BOOT) basis, have signed a pre-implementation agreement with Government of Himachal Pradesh on June 1, 2011 and paid an aggregate amount of ₹ 6,720 lakhs to the Government as upfront fees for development and commissioning of the Hydro power projects.

### 42. Corporate social responsibility (CSR)

VIPL, RPSCL, SAPL and the Parent Company are required to incur an expenditure of ₹ 117 lakhs, ₹ 1,899 lakhs, ₹ 5 lakhs and ₹ 402 lakhs respectively, being 2% of the average net profits during the three immediately preceding financial years towards Corporate Social Responsibility calculated in the manner as stated in the Act. Against the said required amount, VIPL, RPSCL, SAPL and the Parent Company have spent ₹ 116 lakhs, ₹ 1,837 lakhs, ₹ 7 lakhs and ₹ 402 lakhs respectively, during the year.

### 43. Micro and Small Scale Business Entities

Disclosure of amount payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

44. Pursuant to agreement dated March 29, 2016 between SMPL and R infra, both parties have agreed to transfer certain assets and liabilities as follows:

- a) SMPL is discharged from its obligation to make payments amounting to ₹ 232,867 lakhs outstanding towards engineering procurement and construction contract dated June 30, 2010 to R infra and has taken over inter corporate deposit assets receivable from Crest Logistics and Engineers Private Limited amounting to ₹ 25,032 lakhs.
- b) SMPL on an inter se basis has taken over the obligation for buyers credit amounting to USD in million 387.48 outstanding against lender SBI (USD in million) 223.64, Canara Bank (USD in million) 152.29, UOB (USD in million) 7.94, DB (USD in million) 2.59 and HDFC (USD in million) 1.03, pending further approvals / consents, if any, required.

Accordingly, the said balances have been disclosed under "other current liabilities" and "short term advances" respectively, in the financial statements.

45. Pursuant to an agreement dated March 29, 2016 between RCGL and R Infra, RCGL has on an inter-se basis accepted transfer of R Infra liabilities and obligations in respect of buyers' credit amounting to USD in million 113.92 (₹ 75,827 lakhs) outstanding against lender DB (USD in million) 72.00 and UOB (USD in million) 41.92, pending further approvals / consents, if any, required. Against the said assignment of lender's liabilities, RCGL has taken over inter corporate deposits receivable from Crest Logistics and Engineers Private Limited amounting to ₹ 75,827 lakhs.

Accordingly, these lenders liabilities have been disclosed under "other current liabilities" and ICD has been disclosed under "short-term loans and advances".

**Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016**
**46. Additional Information, as required under Schedule III to the Act, of enterprises consolidated as Subsidiary:**
**a) As of and for the year ended March 2016:**

Sr. No.	Name of Company	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)	
		As % of consolidated net assets	Rupees in lakhs	As % of consolidated profit or (loss)	Rupees in lakhs
	<b>Parent Company:</b>				
1	Reliance Power Limited	(3.88)	(81,115)	(8.76)	(13,710)
	<b>Indian Subsidiaries:</b>				
2	Rosa Power Supply Company Limited	5.77	120,544	39.44	61,750
3	Dhursar Solar Power Private Limited	1.05	21,943	2.66	4,158
4	Vidarbha Industries Power Limited	7.90	165,084	20.05	31,387
5	Sasan Power Limited	42.70	892,820	44.45	69,590
6	Jharkhand Integrated Power Limited	0.77	16,142	(0.45)	(710)
7	Coastal Andhra Power Limited	2.43	50,875	(0.38)	(596)
8	Chitrangi Power Private Limited	6.62	138,400	(0.16)	(243)
9	Reliance CleanGen Limited	0.57	11,813	(0.02)	(30)
10	Moher Power Limited	0.00	32	0.00	(0)
11	Reliance Solar Resources Power Private Limited	0.00	2	0.00	(0)
12	Samalkot Power Limited	17.39	363,622	0.57	885
13	Rajasthan Sun Technique Energy Private Limited	4.56	95,243	0.42	655
14	Reliance Wind Power Private Limited	0.00	45	0.00	(0)
15	Reliance Coal Resources Private Limited	0.00	43	(0.07)	(102)
16	Reliance Natural Resources Limited	0.18	3,816	(0.84)	(1,310)
17	Maharashtra Energy Generation Limited	0.06	1,315	0.01	20
18	Siyom Hydro Power Private Limited	0.76	15,821	0.00	(0)
19	Tato Hydro Power Private Limited	0.35	7,231	0.00	(0)
20	Kalai Power Private Limited	0.66	13,882	0.00	(0)
21	Urthing Sobla Hydro Power Private Limited	0.08	1,689	(0.02)	(25)
22	Amulin Hydro Power Private Limited	0.19	3,986	0.00	(0)
23	Emini Hydro Power Private Limited	0.17	3,620	0.00	(0)
24	Mihundon Hydro Power Private Limited	0.12	2,408	0.00	(0)
25	Purthi Hydro Power Private Limited	0.29	6,073	0.00	(0)
26	Teling Hydro Power Private Limited	0.09	1,970	0.00	(0)
27	Shangling Hydro Power Private Limited	0.05	949	0.00	(0)
28	Lara Sumta Hydro Power Private Limited	0.10	2,177	0.00	(0)
29	Sumte Kothang Hydro Power Private Limited	0.13	2,674	0.00	(0)
30	Coastal Andhra Power Infrastructure Limited	0.15	3,084	0.00	0
31	Reliance Prima Limited	0.00	11	0.00	(1)
32	Atos Trading Private Limited	0.00	88	0.00	(5)
33	Atos Mercantile Private Limited	0.00	43	(0.01)	(18)
34	Reliance Green Power Private Limited	0.21	4,439	0.00	(1)
35	Reliance Geothermal Power Private Limited	0.00	2	0.00	(0)
36	RPL Sunshine Power Private Limited	0.00	1	0.00	(3)
37	RPL Surya Power Private Limited	0.00	1	0.00	(3)
38	RPL Solar Power Private Limited	0.00	1	0.00	(3)
39	RPL Sunlight Power Private Limited	0.00	1	0.00	(3)
40	RPL Solaris Power Private Limited	0.00	1	0.00	(3)
41	RPL Aditya Power Private Limited	0.00	1	0.00	(3)
42	RPL Star Power Private Limited	0.00	1	0.00	(3)
	<b>Foreign Subsidiaries</b>				
43	Reliance Natural Resources (Singapore) Pte Limited	8.57	179,264	1.49	2,332
44	PT Heramba Coal Resources	0.00	14	0.04	56
45	PT Avaneesh Coal Resources	0.00	46	(0.03)	(45)
46	PT Sriwijaya Bintang Tiga Energi	0.47	9,891	0.00	7
47	PT Brayan Bintang Tiga Energi	0.21	4,402	0.00	(2)
48	PT Sumukha Coal Service	0.01	118	0.00	3
49	Reliance Power Netherlands BV	1.26	26,265	1.62	2,530
	<b>Total</b>	<b>100.00</b>	<b>2,090,777</b>	<b>100.00</b>	<b>156,554</b>

# Reliance Power Limited

## Notes to the Abridged consolidated financial statements as of and for the year ended March 31, 2016

### b) As of and for the year ended March 2015:

Sr. No.	Name of Company	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)	
		As % of consolidated net assets	Rupees in lakhs	As % of consolidated profit or (loss)	Rupees in lakhs
1	Reliance Power Limited	0.48	9,882	1.54	1,985
	<b>Indian Subsidiaries:</b>				
2	Rosa Power Supply Company Limited	5.89	121,620	73.57	94,632
3	Dhursar Solar Power Private Limited	1.05	21,641	4.85	6,237
4	Vidarbha Industries Power Limited	7.98	164,711	22.38	28,783
5	Sasan Power Limited	38.70	798,449	0.19	240
6	Jharkhand Integrated Power Limited	1.42	29,314	(0.14)	(185)
7	Coastal Andhra Power Limited	5.01	103,404	(0.80)	(1,030)
8	Chitranḡi Power Private Limited	6.70	138,334	0.00	(1)
9	Reliance CleanGen Limited	0.02	353	(0.71)	(909)
10	Mohar Power Limited	0.00	31	0.00	(0)
11	Reliance Solar Resources Power Private Limited	0.00	2	0.00	(0)
12	Samalkot Power Limited	15.24	314,475	0.01	13
13	Rajasthan Sun Technique Energy Private Limited	3.52	72,534	0.34	438
14	Reliance Wind Power Private Limited	0.00	44	0.00	(0)
15	Reliance Coal Resources Private Limited	0.01	182	(0.23)	(291)
16	Reliance Natural Resources Limited	0.23	4,813	0.00	(5)
17	Maharashtra Energy Generation Limited	0.06	1,289	0.01	9
18	Siyom Hydro Power Private Limited	0.75	15,556	0.00	(0)
19	Tato Hydro Power Private Limited	0.33	6,791	-0.02	(28)
20	Kalai Power Private Limited	0.67	13,727	0.00	(0)
21	Urthing Sobla Hydro Power Private Limited	0.08	1,692	-0.02	(25)
22	Amulin Hydro Power Private Limited	0.19	3,978	0.00	(0)
23	Emini Hydro Power Private Limited	0.18	3,620	0.00	(0)
24	Mihundon Hydro Power Private Limited	0.12	2,408	0.00	(0)
25	Purthi Hydro Power Private Limited	0.29	6,072	0.00	(0)
26	Teling Hydro Power Private Limited	0.10	1,969	0.00	(0)
27	Shangling Hydro Power Private Limited	0.05	949	0.00	(0)
28	Lara Sumta Hydro Power Private Limited	0.11	2,177	0.00	(0)
29	Sumte Kothang Hydro Power Private Limited	0.13	2,674	0.00	(0)
30	Coastal Andhra Power Infrastructure Limited	0.14	2,799	0.00	(0)
31	Reliance Prima Limited	0.00	5	0.00	(1)
32	Atos Trading Private Limited	0.00	88	0.00	(1)
33	Atos Mercantile Private Limited	0.00	32	(0.04)	(46)
34	Reliance Green Power Private Limited	0.13	2,727	0.00	(0)
35	Reliance Geothermal Power Private Limited	0.00	2	(0.04)	(51)
	<b>Foreign Subsidiaries</b>				
36	Reliance Natural Resources (Singapore) Pte Limited	8.58	176,947	(1.58)	(2,031)
37	PT Heramba Coal Resources	0.00	2	0.00	2
38	PT Avaneesh Coal Resources	0.00	27	(0.06)	(81)
39	PT Sriwijaya Bintang Tiga Energi	0.47	9,674	(0.04)	(48)
40	PT Brayan Bintang Tiga Energi	0.20	4,164	0.04	55
41	PT Sumukha Coal Service	0.00	102	0.00	(2)
42	Reliance Power Netherlands BV	1.18	4,090	0.72	932
	<b>Total</b>	<b>100.00</b>	<b>2,063,350</b>	<b>100.00</b>	<b>128,636</b>

47. 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

#### Uday Shah

Partner  
Membership No: 46061

#### For Chaturvedi & Shah

Firm Registration No: 101720 W  
Chartered Accountants

#### Vijay Napawaliya

Partner  
Membership No: 109859

For and on behalf of the Board of Directors

#### Anil D Ambani

Chairman

#### Dr. V K Chaturvedi

D J Kakalia

Rashna Khan

} Director

#### N. Venugopala Rao

Chief Executive Officer

#### Ashutosh Agarwala

Chief Financial Officer

#### Ramaswami Kalidas

Company Secretary

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

Place : Mumbai  
Date : May 27, 2016

Financial Information of Subsidiary Companies

Statement containing salient features of the financial statement 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	42,482	402,676	1,063,763	666,453	47,848	372,405	61,331	13,089	48,242
SPL	7,950	863,284	2,902,110	2,117,132	86,257	481,126	69,046	(8)	69,054
DSPLL	180	38,400	92,355	58,286	4,511	12,372	4,158	207	3,951
VJPL	1,492	196,626	541,266	347,573	4,426	208,993	31,151	6,648	24,502
JJPL	15	1,292	16,143	14,836	-	4	(710)	-	(710)
CAPL	57,600	(55,144)	51,703	49,247	-	1	(53,096)	-	(53,096)
CPPL	11	9,780	138,786	128,995	-	@	(243)	@	(243)
RSTEPL	314	58,949	270,831	211,569	-	738	655	99	557
SMPPL	3,002	297,413	958,351	657,936	@	909	882	184	699
SHPLL	38	15,168	15,894	688	-	-	@	@	@
THPLL	8	6,298	7,434	1,128	-	-	@	@	@
KPPL	x'	13,441	13,896	420	-	@	@	@	@
USHPLL	3	1,638	1,691	50	-	-	(25)	-	(25)
AHPLL	39	3,908	3,989	41	-	-	@	-	@
EHPLL	37	3,563	3,622	23	-	-	@	-	@
MHPLL	25	2,381	2,409	2	-	-	@	-	@
PHPLL	35	6,037	6,073	1	-	-	@	-	@
TPPL	12	1,951	1,971	8	-	-	@	-	@
SPPL	6	937	950	8	-	-	@	-	@
LHPLL	13	2,159	2,177	5	-	-	@	-	@
SKHPLL	16	2,657	2,674	1	-	-	@	-	@
CAPL	1	1,978	3,156	1,171	-	-	-	-	-
ATPL	1	439	448	8	-	-	(5)	-	(5)
AMPPL	1	(31)	43	72	-	-	(18)	-	(18)
Rprima	5	3	11	3	-	-	(1)	-	(1)
MEGL	10	1,429	1,440	1	-	12	8	4	4
RNRL	5	1,730	4,594	2,859	-	1,212	(110)	-	(110)
RGPPPL	5	2,469	4,460	1,993	7	-	(1)	-	(1)
RCGL	2,595	240,851	145,495	141,819	239,769	1,092	(27)	-	(27)
BPL	5	26	33	2	-	-	@	-	@
RSRPPPL	1	(1)	3	3	-	-	@	-	@
RWPPPL	1	42	45	2	-	-	@	-	@
RGTPPL	1	(51)	2	53	-	-	(1)	-	(1)
RPLSUNSHINE	1	(4)	2	5	-	-	(3)	-	(3)
RPL Surya	1	(3)	1	3	-	-	(3)	-	(3)
RPL Solar	1	(3)	1	3	-	-	(3)	-	(3)
RPL Sunlight	1	(3)	1	3	-	-	(3)	-	(3)
RPL Solaris	1	(3)	1	3	-	-	(3)	-	(3)
RPL Aditya	1	(3)	1	3	-	-	(3)	-	(3)
RPL Star	1	(3)	1	3	-	-	(3)	-	(3)
RCRPL	210	15,966	23,059	23,726	16,843	948	(281)	-	(281)
RPN\$	16,843	1,215	37,388	34,335	15,005	1,180	418	-	418
PTH\$	10,210	55	4,325	5	5,944	113	52	-	52
PTA\$	4,855	(567)	2,256	164	2,196	59	(46)	-	(46)
BBE#	4,415	14	4,561	132	-	1	(2)	-	(2)
SBE#	10,240	(153)	10,334	247	-	4	8	-	8
RNRL-Singapore\$	182,391	(5,645)	179,366	2,737	118	9,308	(8,594)	-	(8,594)
PTS\$	118	(13)	104	48	50	-	3	-	3

Details of Subsidiaries

Rupees in lakhs

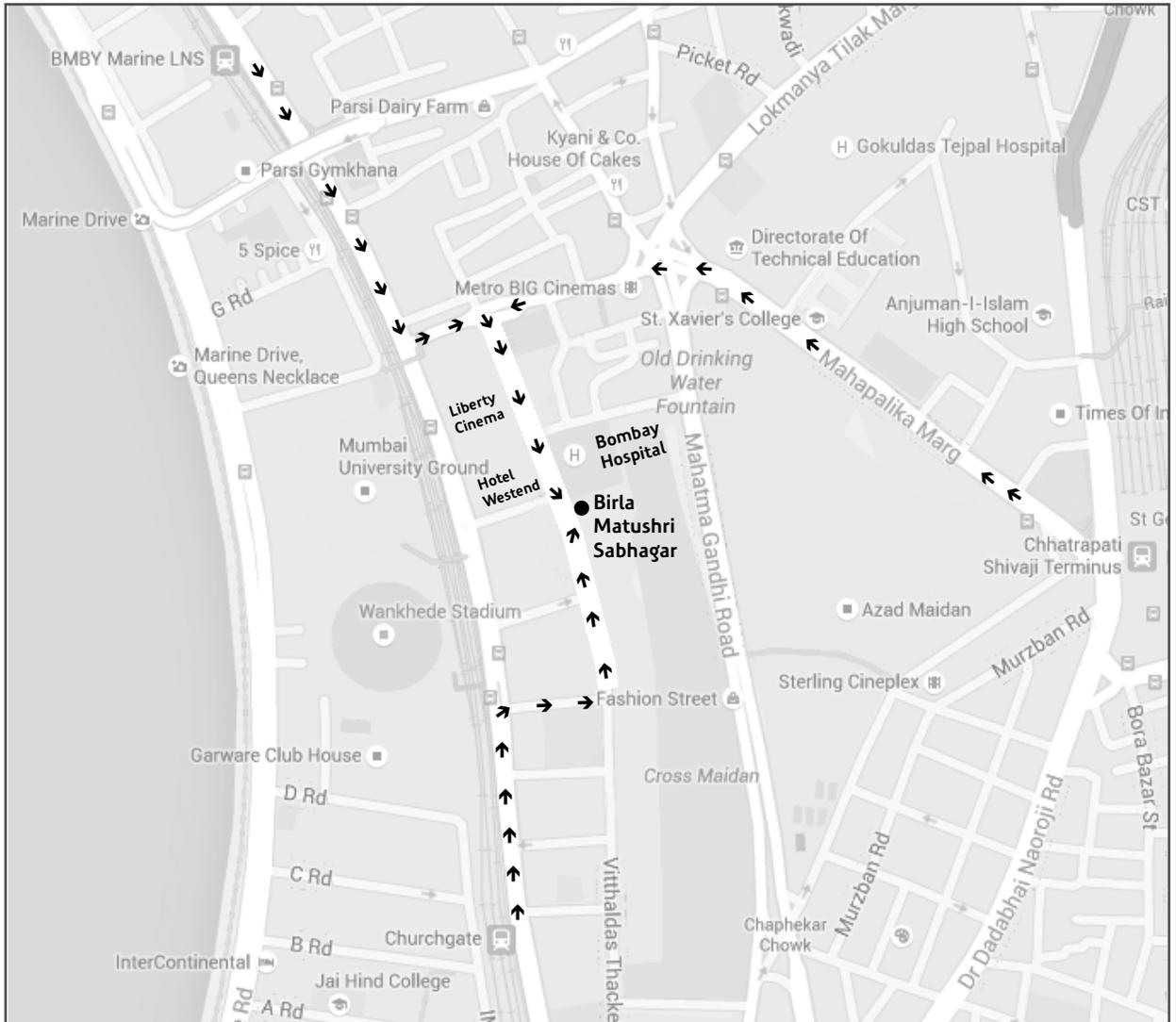
\* Represents other income also  
 \$ Reporting currency is USD  
 # Reporting currency is IDR  
 Except RPSCL and RNRL-Singapore, no proposed dividend in other subsidiaries.  
 Exchange rate as on March 31, 2016: 1 IDR = 0.005 INR; 1 USD = 66.3329 INR.  
 @ Amount is below rounding off norm adopted by the Group.





## Route Map to the AGM Venue

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020



**Landmark : Next to Bombay Hospital**

**Distance from Churchgate Station : 1 km**

**Distance from Chhatrapati Shivaji Terminus : 1.2 km**

**Distance from Marine Lines Station : 0.8 km**

**RELIANCE****Power****Reliance Power Limited**

Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710  
 Tel. no.: +91 22 3303 1000, Fax no.: +91 22 3303 3662  
 Website: www.reliancepower.co.in, E-mail id: reliancepower.investors@relianceada.com  
 CIN: L40101MH1995PLC084687

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

**ATTENDANCE SLIP**

*DP Id.		Name & Address of the registered Shareholder
Regd. Folio No. / *Client Id.		
No. of Share(s) held		

(\*Applicable for Members holding Shares in electronic form)

I hereby record my presence at the **22<sup>nd</sup> ANNUAL GENERAL MEETING** of the Members of **Reliance Power Limited** held on Tuesday, September 27, 2016 at 4.00 P.M. or soon after the conclusion of the annual general meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

Member's / Proxy's Signature

TEAR HERE

**PROXY FORM****RELIANCE****Power****Reliance Power Limited**

Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710  
 Tel no.: +91 22 3303 1000, Fax no.: +91 22 3303 3662  
 Website: www.reliancepower.co.in, E-mail id: reliancepower.investors@relianceada.com  
 CIN: L40101MH1995PLC084687

**FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
E-mail Id:	
*DP Id.	
Regd. Folio No. / *Client Id.	

(\*Applicable for Members holding Shares in electronic form)

I/ We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **22<sup>nd</sup> Annual General Meeting** of the Company, to be held on Tuesday, September 27, 2016 at 4.00 P.M. or soon after the conclusion of the annual general meeting of Reliance Infrastructure Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Matter of Resolution	For	Against
1.	To consider and adopt: a) the audited financial statement of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon, and b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016 and the reports of the Auditors thereon.		
2.	To confirm the Interim Dividend of Re. 1 per equity share already paid as final dividend for the financial year ended March 31, 2016		
3.	To appoint a Director in place of Dr. V. K. Chaturvedi (DIN: 01802454), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment		
4.	To appoint M/s. Price Waterhouse as Auditors and to fix their remuneration		
5.	To appoint M/s. Pathak H. D. & Associates as Auditors and fixing their remuneration		
6.	Appointment of Dr. Yogendra Narain as an Independent Director		
7.	Private Placement of Non-Convertible Debentures		
8.	Payment of remuneration to Cost Auditors for the financial year ending March 31, 2017		

Signed this ..... day of ..... 2016.

Signature of Shareholder(s) : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

**Note:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix  
Revenue  
Stamp



If undelivered please return to :

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

Karvy Selenium Tower – B, Plot No. 31 & 32

Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda

Hyderabad 500 032

Tel. no. : +91 40 6716 1500

Fax no. : +91 40 6716 1791

E-mail : rpower@karvy.com