

RELIANCE

Power

**Annual Report
2013-14
(Abridged)**



Dhirubhai H. Ambani

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

Reliance Group - Founder and Visionary

Profile

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

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

RPower presently has 4,525 MW of operational capacity.

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

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

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

Mission: Excellence in Power Generation

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

This Report is printed on environment friendly paper.

Reliance Power Limited

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Company Secretary and Manager
Shri Ramaswami Kalidas

Auditors
M/s. Chaturvedi & Shah
M/s. Price Waterhouse

Registered Office
H Block, 1 st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710, India
CIN: L40101MH1995PLC084687
Tel : +91 22 3032 7648
Fax : +91 22 3038 5169
E-mail : reliancepower.investors@relianceada.com
Website: www.reliancepower.co.in

Registrar and Transfer Agent
Karvy Computershare Private Limited
Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13C, Madhapur Village
Hyderabad 500 081, India
website : www.karvy.com

Investor Helpdesk
Toll free no (India) : 1800 4250 999
Telephone no. : +91 40 4030 8000
Fax no. : +91 40 2342 0859
E-mail : rpower@karvy.com
Post your request : http://kcpl.karvy.com/adag

20th Annual General Meeting on Tuesday, September 30, 2014 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

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

Letter to Shareowners



My dear fellow Shareowners,

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

You will be pleased to know that we have nearly doubled our operational capacity from 2,545 MW to 4,525 MW during this year. In addition to our 1,200 MW power plant at Rosa, Uttar Pradesh, the 600 MW capacity at Butibori, Maharashtra and 85 MW of renewable portfolio, we have added three more units of 660 MW each to the already operational 660 MW in our flagship 3,960 MW Sasan Ultra Mega Power Project (UMPP) in Madhya Pradesh.

The operating performance of our plants during the year was also extremely satisfactory. Despite major coal shortages plaguing the country, the 1,200 MW Rosa plant reported very good performance. The coal based plant operated at an availability of 96 per cent for the year, and generated 8.15 billion units compared to 8 billion units in the previous year. Higher generation and operational efficiencies resulted in significantly better financial performance and higher profit from the plant than in the previous year.

The 40 MW Solar PV plant at Dhursar, Rajasthan, generated 72.2 million units of electricity compared to 60 million units in the previous year. The plant registered a PLF of 20.6 per cent in FY 2014 compared to 17.2 per cent in 2013. This would be undoubtedly one of the best performing solar plants in the Country.

The most significant accomplishment this year is the successful commissioning of additional three units of 660 MW each, of the 3,960 MW Sasan UMPP in a very short span of four months. The Moher and Moher Amlohri captive coal blocks of Sasan UMPP with a peak production capacity of 20 million tonne per annum has been producing coal to meet the requirements of the power plant. The Sasan UMPP is the largest integrated power plant and coal mining project in the world. We

had won the project through tariff based competitive bidding, and have commissioned the project ahead of the bid schedule. Reliable power generated from the project at one of the most competitive tariffs is benefitting almost 35 crore Indians spread across various states. I am confident that the Sasan UMPP will set new benchmarks in operating efficiencies for power plants and coal mining in the Country, and help our fellow countrymen to avail affordable and reliable electricity for 25 years. Your Company is committed towards sustainable development for a greener tomorrow. We will be commissioning the 100 MW Concentrated Solar Power (CSP) project in Dhursar, Rajasthan this year, to supplement the already operating 40 MW Solar PV plant and 45 MW Wind Power capacity. In our quest to become one of India's largest renewable energy companies, we are committed to further increasing our renewable energy capacity in a significant manner in the coming years.

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

Performance Review

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

- Total income of ₹ 5,546 crore as compared to ₹ 5,284 crore in the previous year.
- Net profit of ₹ 1,027 crore as compared to ₹ 1,011 crore in the previous year.
- Earnings Per Share (EPS) (basic and diluted) of ₹ 3.66 as compared to ₹ 3.61 in the previous year.

Reliance Power Limited

Letter to Shareowners

Corporate Governance

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

Social Commitments

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

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

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

Our Commitment

Our founder, the legendary Shri Dhirubhai Ambani, gave us a simple mantra: to aspire to the highest global standards of quality, efficiency, operational performance and customer care. We remain committed to upholding that vision. Dhirubhai exhorted us to think big. With your continued support, we will think bigger. Indeed not just bigger but better, creating ever greater value for all our stakeholders.



Anil Dhirubhai Ambani
Chairman

Notice

Notice is hereby given that the 20th Annual General Meeting of the Members of **Reliance Power Limited** will be held on Tuesday, September 30, 2014 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, 2014 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, 2014 and the report of the Auditors thereon.
2. To appoint a Director in place of Dr. V. K. Chaturvedi (DIN: 01802454), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with

or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) and M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) be and are hereby appointed as 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."

By order of the Board of Directors

Ramaswami Kalidas
Company Secretary

Registered Office:

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN: L40101MH1995PLC084687
Website: www.reliancepower.co.in

August 18, 2014

Notes:

1. **A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself and the proxy need not be a Member of the Company. The instrument appointing proxy 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.**
2. **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.**
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
5. 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.
6. 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.
7. Relevant documents referred to in the accompanying Notice, are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Meeting. The certificate from the Auditors of the Company confirming the compliance of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with respect to the Company's ESOS Plans will be available for inspection at the Meeting.
8. The Company's Register of Members and Transfer Books will remain closed from Saturday, September 20, 2014 to Tuesday, September 30, 2014, (both days inclusive) for the purpose of the Meeting.
9. 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.
10. 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.

Reliance Power Limited

Notes

11. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 27, 2013 (date of the last Annual General Meeting) on the website of the Company (www.reliancepower.co.in) as also on the website of the Ministry of Corporate Affairs.
12. Non-resident Indian Members are requested to inform Karvy Computershare Private Limited immediately on:
 - a. the change in the 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.
13. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
14. The Statement containing the salient features of the Audited Balance Sheet, the statement of Profit and Loss, Cash Flow Statement and Auditors' Report (Abridged Financial Statements), is sent to the members, along with the Abridged Consolidated Financial Statements. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.
16. 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, Madhura Estate, Municipal No. 1-9/13/C Plot No. 13 & 13C, Madhapur Village, Hyderabad 500 081, India or on e-mail to 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 DP directly for recording their nomination.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agent for consolidation into a single folio.
18. Member 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.
19. Members who have not registered their e-mail addresses so far are requested to register their email-address so that they can receive the Annual Report and other communication from the Company electronically.
20. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules made there under and Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. Karvy Computershare Private Limited, on all the resolutions set forth in this Notice. The Members can cast their vote online from Wednesday, September 24, 2014 at 10:00 A.M. to Friday, September 26, 2014 till 6:00 P.M. Members shall refer to the detailed procedure on e-voting provided in the information slip for e-voting as annexed. The Board of Directors have appointed Shri Anil Lohia, Partner, M/s. Dayal & Lohia, Chartered Accountants as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman appointed by the Board after completion of the scrutiny and the results of e-voting will be announced on or after the AGM of the Company. The resolutions shall be taken as passed effectively on the date of declaration of the result. The result of the e-voting will be posted on the website of the Company at www.reliancepower.co.in.

Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the 20th Annual Report and the audited accounts for the financial year ended March 31, 2014.

Financial Results

The performance of the Company (consolidated and standalone) for the financial year ended March 31, 2014, is summarised below:

Particulars	Financial Year ended March 31, 2014		Financial Year ended March 31, 2013	
	₹ in lakhs (Consolidated)	₹ In lakhs (Standalone)	₹ in lakhs (Consolidated)	₹ In lakhs (Standalone)
Total Income	554,591	36,612	528,377	*65,810
Profit before tax	123,881	6,114	119,961	51,338
Less: Provision for taxation (Net)	21,214	466	18,815	(55)
Profit after tax	102,667	5,648	101,146	51,393

*Includes Exceptional Income of ₹ 40,725 lakhs.

Financial Performance

During the year under review, the total Income of the Company was ₹ 36,612 lakhs against ₹ 25,085 lakhs in the previous year on a standalone basis. The Company has earned a Profit after tax of ₹ 5,648 lakhs compared to ₹ 51,393 lakhs in the previous year which was inclusive of an exceptional income of ₹ 40,725 lakhs on a standalone basis.

Dividend

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

Business Operations

The Company is in the business of setting up and operating power projects and in the development of coal mines through its subsidiaries. The Company has a large portfolio of power projects and is also developing coal mines in India and in Indonesia. Of the power projects which the Company is developing through its subsidiaries, 4,525 MW are already operational while the other power projects are under various stages of development. Four of the six units out of the 6X660 MW UMPP being developed by its subsidiary Sasan Power Limited have already commenced operations. The fifth unit has achieved Boiler Light-up and is likely to be commissioned shortly and the last unit is in advanced stages of commissioning.

The Sasan Unit is the largest integrated power plant in the World with its own captive coal mines to cater to the fuel requirements of the Plant.

Both the Units of the 2X300 MW Power Plant at Butibori being developed by its subsidiary Vidarbha Industries Power Limited, have commenced commercial operations and are supplying power under long term PPAs for 25 years.

The 100 MW solar CSP plant at Dhursar, Rajasthan shall also commence operations in the financial year 2014-15.

The period under review was significant in that the Company could make substantial increases in its operating capacity by nearly 2,000 MW.

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

Management Discussion and Analysis

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

MOU for acquisition of Hydro Assets

Reliance CleanGen Limited, a wholly owned subsidiary of the Company, has entered into a Memorandum of Understanding (MOU) with Jaiprakash Power Ventures Limited (JPVL), a subsidiary of Jaiprakash Associates Limited, for the 100 per cent acquisition of three hydroelectric power projects of JPVL, for an aggregate capacity of nearly 1,791 MW, which are fully in operation namely, Baspa Stage II (300 MW) and Karcham Wangtoo (1,091 MW), both in Kinnaur District, in the state of Himachal Pradesh and Vishnuprayag (400 MW), in Chamoli District, in the State of Uttarakhand.

Scheme of Amalgamation

Reliance Clean Power Private Limited, a 100 per cent Subsidiary which is operating the 45 MW wind power project at Vashpet in Maharashtra, merged into the Company effective from May 16, 2014 as per the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay on May 9, 2014, with the appointed date being April 1, 2012.

Subsidiaries

As on March 31, 2014, the Company had 40 subsidiaries.

In accordance with the general circular issued by the Ministry of Corporate Affairs (MCA), Government of India (GOI), the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not attached with the Balance Sheet

Reliance Power Limited

Directors' Report

of the Company. The Company shall make available the copies of annual accounts of the subsidiary companies and related detailed information to the shareholders of the Company seeking the same. The annual accounts of the subsidiary companies will also be kept for inspection by any shareholder at the Registered Office of the Company and that of respective subsidiary companies.

Further, pursuant to the provisions of Accounting Standard AS-21 and AS-27 prescribed under the Companies (Accounting Standards) Rules, 2006 and the Listing Agreement, the Consolidated Financial Statements presented herein by the Company include financial results of subsidiary companies, which forms part of this Annual Report.

Directors

In accordance with the provisions of the Companies Act, 2013, it is proposed to appoint Dr. Yogendra Narain, who has been an Independent Director of the Company as per the requirements of the Listing Agreement with the Stock Exchanges from the year 2007, as an Independent Director, not liable to retire by rotation for a term of two consecutive years effective from the date of passing of the resolution by the members through Postal Ballot, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, for which separate notice has been sent to the Members of the Company.

Shri D. J. Kakalia was appointed as an Additional Independent Director on September 13, 2013, under Section 260 of the Companies Act, 1956. Pursuant to the provisions of Section 161 of the Companies Act, 2013, which corresponds to Section 260 in the Companies Act, 1956, Shri Kakalia holds office only till the date of the ensuing Annual General Meeting of the members of the Company. It is proposed to appoint him as an Independent Director not liable to retire by rotation for a consecutive term of three years effective from the date of passing of resolution by the members through Postal Ballot, pursuant to Section 110, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder.

The Company has received notices from a member in writing along with the requisite amount of deposit under Section 160 of the Act, proposing the appointment of above named persons as Directors of the Company.

Shri Sateesh Seth was appointed as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 161 in the Companies Act, 2013 at their Meeting held on July 18, 2014. He is associated with the Company as a Non-executive, Non-independent Director on the Board. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Seth holds office only till the date of the ensuing Annual General Meeting of the members of the Company. The Company has received a notice from a member, proposing his appointment as a Director liable to retire by rotation in terms of Section 160 in the Act along with the requisite amount of deposit. It is proposed to appoint him as a Director liable to retire by rotation, effective from the date of passing of resolution by the members through Postal Ballot, pursuant to Section 110, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder.

As per the provisions of Section 149(1) of the Companies Act, 2013 and the Rules made thereunder, the Company should have at least one woman director. In view of the above, the Board of Directors has proposed the appointment of

Ms. Rashna Khan as an Independent Director, not liable to retire by rotation, for a period of three years effective from the date of passing of the resolution by the members through Postal Ballot. The Company has received a notice in writing from a member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Rashna Khan for the office of Director of the Company.

As per the Company's Board Charter, an Independent Director shall hold office for a maximum period of 9 years. Notwithstanding the above, an Independent Director will retire upon completing the age of 75 years.

In view of the above, Shri J. L. Bajaj, upon attaining the age of 75 years, has relinquished his office as an Independent Director of the Company effective from August 13, 2014.

The Board of Directors place on record their sincere appreciation for the valuable contribution made by Shri Bajaj during his tenure of association as an Independent Director.

The proposed appointment of the Directors named above has been recommended by the Nomination and Remuneration Committee of the Board.

A brief resume of the Directors proposed to be appointed, the nature of their expertise in specific functional areas and names of the companies in which they hold directorships and / or memberships / chairmanships of Committees of the respective Boards, shareholding and relationship between Directors *inter se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is given in the section on Corporate Governance forming part of this Annual Report.

Dr. Vijay Kumar Chaturvedi, retires by rotation and being eligible offers himself for re-appointment.

A brief resume of Dr. Chaturvedi along with the information regarding the nature of expertise in specific functional areas and names of the companies in which he holds directorships and / or memberships / chairmanships of Committees of the respective Boards, shareholding and relationship between Directors *inter se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is given in the section on Corporate Governance forming part of this Annual Report.

Directors' Responsibility Statement

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

- i. in the preparation of the Annual Accounts for financial year ended March 31, 2014, 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, 2014 and of the Profit of the Company for the year ended on that date;

Directors' Report

- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts for financial year ended March 31, 2014, on a 'going concern' basis.

Consolidated Financial Statements

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

Auditors and Auditors' Report

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

The Company has received consent letters from M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013, and that they are not disqualified from such appointment in terms of Section 141 read with section 139 of the Companies Act, 2013 and Rules made there under.

It is proposed to appoint M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants

Employee Stock Option Scheme

As reported in earlier years, the ESOS Compensation Committee had approved to grant up to 20,000,000 Options exercisable into equal number of fully paid up Equity shares of the Company to eligible Employees of the Company and its subsidiaries in accordance with the Scheme. During the year under review, the Company has not granted any Options to the employees.

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

Sr.	Particulars	ESOS Plan 2010
a.	Total options granted	8,500,000
b.	Pricing formula decided by ESOS Compensation Committee	The exercise price is as per the Plan under the ESOS Scheme
c.	Options vested	8,500,000
d.	Options exercised	Nil
e.	Total number of equity shares arising as a result of exercise of Options	Nil
f.	Options lapsed during the year	Nil
g.	Variation of terms of Options	Nil
h.	Money realized by exercise of options during the year	Nil
i.	Total number of Options in force at the end of the year	8,500,000
j.	Employee wise details of Options granted to :	
	i. Senior Managerial personnel (i.e. Managing Director / Whole-time Director/ Manager)	Nil
	ii. Employee who receives grant in any one year of option amounting to 5 per cent or more of option granted during the year	Nil
	iii. Identified Employees who were granted options, during any one year equal to or exceeding 1 per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

as Statutory Auditors till the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board.

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

Cost Auditors

The 45 MW wind farm project at Vashpet in Maharashtra has become a part of Company's business effective from May 16, 2014, pursuant to the Scheme of Amalgamation of Reliance Clean Power Private Limited into the Company as per sanction accorded by the Hon'ble High Court of Judicature at Bombay vide its order dated May 9, 2014, with the appointed date being April 1, 2012.

Considering the above, the Company has appointed M/s. V. J. Talati & Co., Cost Accountants, as the Cost Auditors of the Company for conducting the audit of the cost records of the Company for financial year 2014-15.

Particulars of Employees

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

Reliance Power Limited

Directors' Report

Sr.	Particulars	ESOS Plan 2010
k.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20	N.A. There would not be any fresh issue of equity shares of the Company upon exercise of Options by employees
l.	The difference between employee compensation cost using intrinsic value method and fair value of the Options and impact of this difference on - Profit - EPS of the Company	₹ Nil ₹ Nil
m.	Weighted- average exercise prices of Options granted during the year where exercise price is less than market price.	Company has not granted any options during the year.
n.	Weighted- average fair values of Options granted during the year where exercise price is less than market price.	Company has not granted any options during the year.
o.	Significant assumptions made in computation of fair value risk-free interest rate, expected life, expected volatility, expected dividends (yield) and the price of the underlying shares in market at the time of grant.	Company has not granted any options during the year.

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

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

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

Corporate Governance

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

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

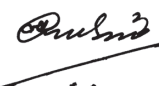
Business Responsibility Report

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

Acknowledgements

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

For and on behalf of the Board of Directors



Anil Dhirubhai Ambani
Chairman

Mumbai,
August 18, 2014

Directors' Report**Annexure – A****Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the financial year ended on March 31, 2014:

A. Conservation of Energy:**a. energy conservation measures taken;**

- i. Monitor/Review of operational parameters and deviations of Wind Power Plant.
- ii. Monitoring/Review of Wind resource assessment.
- iii. Regular and timely identification and maintenance of the Wind Power Plant.

b. additional investments and proposals, if any, being implemented for reduction of consumption of energy;

No additional investment was made for the above purpose.

c. impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

The measures taken above have helped in improving the machine availability of the wind farm, thereby increasing its overall output.

B. Technology Absorption:**Efforts made in technology absorption:****Technology Absorption, Adaptation and Innovation:**

The Company has not undertaken any efforts towards technology absorption, adaptation and innovation and has not imported any technology for its wind power project.

C. Foreign Exchange Earnings and Outgo:

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

- | | |
|------------------------------------|--|
| a. Total Foreign Exchange earnings | : ₹ Nil (Previous year ₹ 1,420 lakh) |
| b. Total Foreign Exchange outgo | : ₹ 1,428 lakh (Previous year ₹ 84 lakh) |

Reliance Power Limited

Management Discussion and Analysis

Forward looking statements

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

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

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the accounting standards notified under Section 211 (3C) of the Act read with Companies (Accounting Standards) Rules, 2006. The management of Reliance Power Limited ("Reliance Power" or "the Company") has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit for the year.

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

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

Economic Outlook

The Indian Economy is estimated to have grown at a rate of 4.7 per cent during the year 2013-14, the second successive year of sub-5 per cent growth. The slowdown can be attributed both to domestic and external factors. High fiscal deficit, high inflation, lower savings and lower investment, a tight monetary policy to contain inflation – all contributed to lowering growth. Global economic growth also fell from 3.1 per cent in 2012 to 3 per cent in 2013 primarily because of the Euro crisis and uncertainties in fiscal policy in the US. These further contributed to lowering India's growth.

However, recent developments indicate that 2014-15 could turn out to be better. A new government is in place with a strong mandate which can usher in the much needed economic reforms. The global economy is also expected to grow at around 3.7 percent in 2014 and 3.9 percent in 2015 with improving financial conditions and investment environment. Thus, the prospects for 2014-15 are improving with a projected GDP growth at 5.5 per cent.

Power Sector

As is widely acknowledged, there is a very high degree of correlation between power sector growth and economic growth.

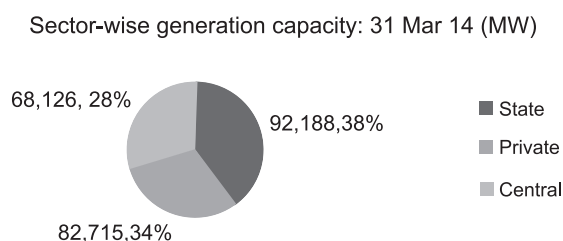
Therefore it is imperative that the power sector needs to grow for sustainable economic growth. The power sector fared better in 2013-14 despite fuel constraints and the challenging policy environment. The growth in electricity generation was 6 per cent in 2013-2014 compared to 4 per cent in 2012-13.

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. However, with a strong mandate delivered by the electorate it is expected that a stable government would be in a position to usher in various measures to address these issues. The government has announced several measures for addressing concerns around adequate fuel availability, clearances and infrastructure which should augur well for the industry in the longer term.

Installed generation capacity

The total installed power generation capacity of India as on March 31, 2014, was 2,43,029 MW of which over 34 per cent is contributed by the private sector.

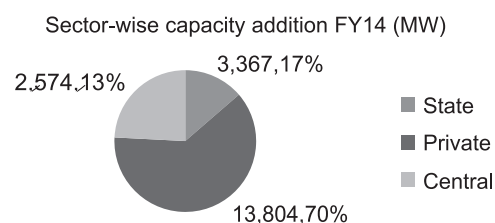
Sector wise generation capacity (in MW) as on March 31, 2014*



* Excluding captive generation capacity connected to grid
Source: CEA

India added generation capacity of 19,745 MW in 13-14, a 16 per cent decrease over the capacity addition in FY12-13. The private sector was the biggest contributor accounting for over 69 per cent of the total capacity added in FY13-14.

Sector wise generation capacity added (in MW) in FY 13-14*



* Excluding captive generation capacity
Source: CEA

India has been traditionally dependent on thermal power as a source of power generation, which constitutes about 69 per cent of the current capacity. The balance is contributed by hydroelectric power (17 per cent), nuclear (2 per cent), and renewable energy (12 per cent).

Management Discussion and Analysis

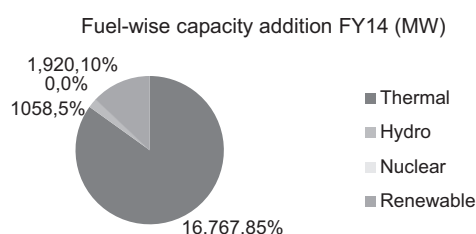
Fuel wise generation capacity (in MW) as on March 31, 2014*

Fuel	Installed Capacity (MW)	Share of installed capacity as %
Thermal	1,68,255	69
Coal	1,45,273	59
Gas	21,782	9
Diesel	1,200	1
Hydroelectric	40,531	17
Nuclear	4,780	2
Renewable energy	29,463	12
Total	2,43,029	100

* Excluding captive generation capacity connected to grid

Source: CEA

Fuel wise generation capacity added (in MW) in FY 2013-14



* Excluding captive generation capacity

Source: CEA

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

Power generation

The total power generation in India during FY 13-14 was 966.4 billion units (5.96 per cent higher than FY 12-13) and was 0.88 per cent lower than the target estimates set for FY 13-14.

Sector wise power generation performance in FY 2013-14

Sector	Power generation (billion units)	Percentage share	Percentage of installed capacity	Average PLF (thermal) as %
State sector	350.3	37	38	60
Central sector	384.8	40	28	80
Private sector	225.7	23	34	64
Imported	5.6	-	-	-
Total	966.4	100	100	68

Source: CEA

Fuel wise power generation performance in FY 2013-14

Fuel	Power generated (MU)	Share in generation as %	Share in generation capacity as %
Thermal	792	82	69
Hydroelectric	134	14	17
Nuclear	34	3	2
Imported	6	1	0
Total	966	100	100

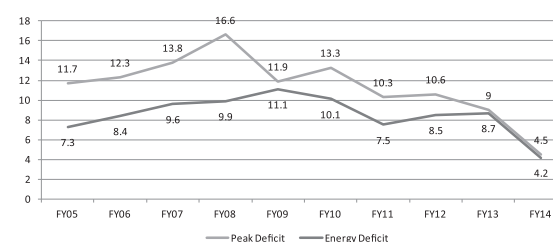
Source: CEA

Power Sector Outlook

● Demand and supply outlook

The year 2013-14 turned out to be a difficult year for the Indian economy with GDP growth rate falling once again below 5 per cent. The slowdown in economic activity led to stagnant industrial growth which in turn led to a significant drop in power demand during the year. Energy deficit came down to 4.2 per cent as compared to 8.7 per cent in FY 13 and peak deficit also fell to 4.5 per cent from 9 per cent in FY 13. However, with an expected revival of the economy, demand for power is likely to increase from the current levels. 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 05-14 (in per cent)



Source: CEA

Opportunities and threats

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

In order to attract further private participation in the power sector, the Government of India had announced the Ultra Mega Power Projects (UMPP) scheme under which the government would partner with the private sector for developing large power

Reliance Power Limited

Management Discussion and Analysis

projects. The policy framework for the power sector encourages developers to put up power projects to sell power through long term Power Purchase Agreements (PPAs) at attractive and sustainable returns, and also to sell power through short term contracts (bilateral contracts) or spot markets (unscheduled interchange, power exchanges).

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

India's renewable energy capacity has gone up from 7,761 MW 2007 to 29,462 MW now – a growth of over 250 per cent in just six years. With fuel shortage staring India in the face, it has become imperative for the Country to have a focused strategy for renewable energy. The government has initiated steps in this direction, including:

- Policy envisaging that all states should mandatorily meet Renewable Purchase Obligations (RPO) of 5 per cent of total generation.
- Launch of Jawaharlal Nehru National Solar Mission (JNNSM), which aims to ensure that solar energy technologies in the Country achieve grid parity by 2022. It has plans for deployment of 20 GW of solar power by 2022.
- Imposition of carbon cess of ₹ 50 per tonne for all domestic and imported coal based projects. The funds raised will be utilised to drive development in the renewable energy sector.
- Created a framework for issuance and trading of Renewable Energy Certificates (RECs) which will allow generators of renewable energy to obtain additional revenues by selling these certificates to the distribution Companies

All these initiatives provide opportunities for growth both in building conventional power plants as well as renewable energy projects.

Key risks and concerns

Power sector is a highly capital intensive business with long gestation periods before commencement of revenue streams (development and construction period of 7-8 years) and an even longer operating period (over 25 years). Since most of the projects have such a long time frame, there are some inherent risks in both the internal and external environment. The Company monitors the external environment and manages its internal environment to mitigate the concerns on a continuous basis. Some of the key concerns being faced by the sector currently are:

1. Coal supply position

Almost 60 per cent of India's generation capacity is coal based. According to the Integrated Energy Policy, by FY31-32, India would require 2,040 million tonnes of coal for power generation, more than five times its current consumption levels. The shortage of coal is so acute

that many of the power plants have to depend upon imported coal for meeting a significant portion of their coal requirements.

The total imported non coking coal quantity has increased more than three times within the last five years and may go up further due to the continuing shortage in domestic coal availability. There is an urgent need to augment domestic coal availability to mitigate the present problems being faced by the generating companies. The government is aware of the challenges being faced by the sector and is actively considering taking various measures to resolve these issues.

2. Gas availability position

Natural gas production in the Country has been falling continuously over the last two years primarily due to the fall in production from KG-D6 – from a high of over 60 mmscmd in 2010 to less than 15 mmscmd in 2014. This has seriously impacted the viability of existing as well as upcoming gas based power plants. The government is considering all possible measures to resolve the problems faced by these projects.

3. Weak financial condition of electricity distribution Companies

The financial health of electricity Distribution Companies (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.

As per the Power Finance Corporation's report on the performance of State Power Utilities till March 2012, aggregate book losses for the Utilities is almost ₹ 93,000 crore. There is revenue gap of ₹ 1.07 for each unit of electricity sold. Even the AT&C losses have lagged the targets and are reported to be about 27 per cent for the country.

Thus, it is imperative that regular tariff hikes are made in line with the increase in costs with suitable incentives for improvement in their operational efficiencies.

As a step towards improving the financial health of the electricity distribution companies, the government had notified a scheme for Financial Restructuring of the State Distribution Companies. The financial restructuring package has been adopted by some of the states which have seen hike in tariffs apart from measures being taken to reduce high transmission and distribution losses.

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:

Management Discussion and Analysis

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

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

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

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

Internal control systems and their adequacy

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

Reliance Power has put in place a Risk Management Framework, both at the corporate as well as at the project level, which provides a process of identifying, assessing, monitoring, reporting and mitigating various risks at all levels at periodic intervals. Under the framework, the Company has constituted a Risk Management Committee at both the Corporate Level as well as Project Level to continuously monitor, report and mitigate various risks faced. The outcome of this monitoring is reported to the Audit Committee and to the Board of Directors on a quarterly basis.

Discussion on Operations of the Company

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

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

The Rosa power plant completed another year with excellent operational and financial numbers. In its second year of operations, the plant generated 8,155 million units of electricity. The entire electricity generated from the project is sold to Uttar Pradesh on a regulated tariff basis and provides power to over 30 lakh households in India's largest state.

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

The 40 MW solar photovoltaic plant in Rajasthan in its second year of operations generated 72.2 million units of electricity. Electricity generated from the project is sold to Reliance Infrastructure Limited.

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

The 600 MW Butibori power plant in Nagpur, Maharashtra is fully operational and has commenced power supply under the Long Term Power purchase agreement approved by Maharashtra Electricity Regulatory Commission (MERC) to a Mumbai distribution licensee.

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

Sasan Power Limited (SPL), a wholly owned subsidiary of Reliance Power is developing the 6 x 660 MW project in Madhya Pradesh. Four units of 660MW each have commenced power generation taking the operational capacity of the plant to 2,640 MW. The balance two units are in advanced stages of construction and will be commissioned in the coming year. Coal production from the associated Moher and Moher Amlohri coal mines has already commenced and is meeting the requirements of the power plant. Sasan Power Limited has filed Petitions with the Hon'ble Central Electricity Regulatory Commission (CERC) for compensation on account of various changes in Law events (during Operations and Construction period) and steep depreciation of Indian Rupee vis-a-vis US Dollar. In the petition relating to compensation for steep depreciation of Indian Rupee vis-a-vis US Dollar, Hon'ble CERC has issued an interim order on 21.02.2014 wherein it has appreciated that there has been adverse impact on the Company due to steep depreciation of Indian Rupee and it has sought additional information to be able to decide the merit of the case and also quantum of compensation to be provided. Company has replied to Hon'ble CERC's queries. Further directions from Hon'ble CERC are awaited. In the petition related to compensation for Change in Law resulting in creation of separate categories of diesel consumers and linking Diesel Prices for bulk consumers such as the Company to market linked prices, Hon'ble CERC had not accepted the Company's petition and dismissed the Petition vide order dated 22.02.2014. The Company has challenged the order in Hon'ble Appellate Tribunal. Matter has been admitted by Hon'ble APTEL and hearings are in progress. In other petitions pertaining to Change in Law during construction period and operation period, Hon'ble CERC has completed the hearings and orders are reserved.

Reliance Power Limited

Management Discussion and Analysis

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

Coastal Andhra Power Limited (CAPL), a wholly owned subsidiary of the Company is developing the project. Reliance Power was awarded the Krishnapatnam project following an International Competitive Bidding process and it will be selling power to 11 Procurers comprising four states. However, the project is facing issues consequent upon changes in regulations in Indonesia from where coal was intended to be imported for the Project. The Company had issued notice to the procurers for an amicable resolution of the issues under the Power Purchase Agreement (PPA). Since the procurers did not respond to the notice for dispute resolution, the Company has raised a dispute. The procurers on the other hand have initiated the process for terminating the PPA against which the Company is pursuing its appeal in the Delhi High court and the matter is sub-judice. The company has also referred the dispute regarding validity of termination notice issued by the procurers to the Indian Council of Arbitration. The company has also filed a petition before the Central Electricity Regulatory Commission seeking appropriate relief without prejudice to the proceedings pending before the Delhi High Court and the arbitration process has already been initiated.

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

Chitrangi Power Private Limited (CPPL), a wholly owned subsidiary of Reliance Power, has plans to develop a 3,960 MW coal-based power project at Madhya Pradesh. The Company intends to sell the power generated from this project through long term contracts.

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

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

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

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

ix. **Hydroelectric Power Projects**

The Company is developing various hydroelectric power projects located in Arunachal Pradesh, Himachal Pradesh and Uttarakhand. These projects are in different stages of development. Hydroelectric power projects by nature have long gestation periods and require clearances from various authorities before commencement of construction activities. Some of these projects have achieved significant milestones and are likely to be developed in the next few years.

x. **Vashpet, 45 MW wind power project in Maharashtra**

Reliance Power's first wind power project set up at Vashpet in South Maharashtra commenced power generation in June 2013. The wind project consists of 18 nos of Wind Turbine Generators (WTGs) having 2.5 MW of rated

capacity each. The power from Vashpet project is being sold to Reliance Infrastructure Limited - Mumbai distribution licensee at regulated tariff. The project is already registered as a Clean Development Mechanism (CDM) project with UNFCCC

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

Rajasthan Sun Technique Energy Private Limited (RSTEPL), a wholly-owned subsidiary, is developing a 100 MW Concentrated Solar Power Project (CSP) in Jaisalmer, Rajasthan. Solar power generated from this plant will be sold to NTPC Vidyut Vyapar Nigam (NVVN). The project is expected to commence power generation in the financial year 2014-15.

Coal Mines

The Company has been allocated coal mines in India along with the Ultra Mega Power Projects. The Company has prepared mine plans for taking out coal from these mines and the mine plans have been approved by the Ministry of Coal for producing up to 65 MTPA of coal. The Company has also acquired coal mine concessions in Indonesia for which it is finalising plans to produce up to 30 MTPA. One of the coal mines, the 20 MTPA Moher-Moher Amlohri coal block has already started producing coal. The development of the other mines are in different stages.

Coal Bed Methane (CBM) Blocks

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

Clean Development Mechanism (CDM)

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

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

Health, Safety and Environment 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 a majority of Independent Directors to have an 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. We have made significant differences to the lives of the people

Management Discussion and Analysis

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 building up its human resources for the implementation of its large power capacity addition program. The Company has over 1,824 professionals. Teams have been put in place both at the Corporate Office and in all the project locations. The Company has adopted a strategy of putting senior and experienced (in the power sector) professionals as Project Leaders and Functional Heads and teams are being built around them. Considering the fact that many of the power projects are located in remote areas, suitable compensation schemes as well as facilities for townships with education and medical facilities are being planned. The Company also has a Graduate Engineer Trainee Program under which Graduate Engineers are recruited and trained for working in Power Plants. These Graduate Engineers are recruited through a nation-wide competition offering opportunities to all the meritorious candidates across the country. The selection process involves online screening of the candidates followed by group discussion and personal Interviews. The Company is planning to have simulators at various project locations where operational training services can be provided.

Discussion on Financial Condition and Financial Performance

Financial Condition

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

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

* Since Merged into Reliance Power Limited.

An extract of the Consolidated Balance Sheet is placed below:

Particulars	₹ in lakh	
	2013-14	2012-13
Shareholders' Fund	1,946,993	1,858,258
Long Term Borrowings	2,625,351	2,418,603
Other Non Current Liabilities	285,522	295,847
Current Liabilities	744,228	620,678
Total	5,602,094	5,193,386
Fixed Assets	4,609,365	3,928,657
Other Non Current Assets	357,135	381,322
Current Investments	14,138	4,010
Other Current Assets	621,456	879,397
Total	5,602,094	5,193,386

Long term borrowings have increased to ₹ 26,253.51 crore from ₹ 24,186.03 crore.

Fixed assets have increased to ₹ 46,093.65 crore from ₹ 39,286.57 crore.

Current investments were at ₹ 141.38 crore in FY 14 end as compared to ₹ 40.10 crore in FY 13 end.

Financial Performance

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

Particulars	₹ in lakh	
	2013-14	2012-13
Income		
Sale of energy	511,188	492,488
Other Operating Revenues	6,287	171
Dividend Income	1,317	1,275
Profit on redemption of MFs	144	842
Miscellaneous Income	35,655	33,601
Total	554,591	528,377
Expenditure		
Cost of Fuel consumed	277,406	256,207
Purchase of energy	22,647	38,517
Other Operating Expenditure	1,780	702
Employee Benefit Expenses	7,791	8,034
General, Administration & Other Expenses	16,259	17,910
Depreciation / Amortization	36,387	28,513
Finance Cost	68,440	58,533
Total	430,710	408,416
PBT	123,881	119,961
Taxes	21,214	18,815
PAT	102,667	101,146
EPS (Rupees) (basic and diluted)	3.66	3.61

Reliance Power Limited

Corporate Governance Report

Our corporate governance philosophy

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

Governance practices beyond regulatory requirements

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

A. Values and commitments

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

B. Code of ethics

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

C. Business policies

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

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

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

E. Prohibition of insider trading policy

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

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

H. Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are of fundamental concern in all our business activities.

I. Risk Management

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

J. Boardroom practices

i. Chairman

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

ii. Board charter

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

iii. Board committees

The Board has, *inter alia*, constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee (previously known as Shareholders / Investors Grievance Committee) and Corporate Social Responsibility (CSR) Committee (previously known as Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee) and the Employees Stock Options Scheme (ESOS) Compensation Committee.

The Board rotates the Chairman of these Committees.

iv. Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, 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 qualification, positive attributes, area 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 decision.

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 the criteria of independence as provided under law.

v. 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 Companies Act, 2013, the Listing Agreement entered into with the Stock Exchanges and Company's Board Charter, as amended from time to time.

Corporate Governance Report

vi. Independent director's interaction with stakeholders

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

vii. Lead Independent Director

Recognizing the need for a representative and spokesperson for the independent directors, the Board has appointed Shri D. J. Kakalia, an Independent Director as the lead Independent Director.

viii. Training of Board Members

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

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

ix. Meeting of Independent Directors with operating teams

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

x. 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 the performance of subsidiary companies.

xi. Commitment of Directors

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

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

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

i. Employees

Our endeavour has been to create a high performing and engaged organisation. Through out the year, the Company has rolled out several employees initiatives towards this. Re-engineering of Organisation Design, re-visiting work flows and processes, enhancing automation has enabled us to be an efficient, productive and agile organisation.

One of the key factors of our success and achievement has been the capability and commitment of our employees.

On a periodic basis, the Company reviews the HR policies, processes and procedures to make it more transparent, employee friendly and automated.

The continuous focus on learning and development and capability building of employees has led to developing and retaining our talent, and has facilitated in professional and personal growth and enrichment of our employees.

The Company has been organising, throughout the year, series of employee engagement events involving all employees and their families to create a 'Happy People Organisation'.

ii. Shareholders

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. To ensure this, the Company's corporate website; www.reliancepower.co.in has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting.

iii. Lenders

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

iv. Society

The Company, in keeping with its Corporate Social Responsibility (CSR) policy, focuses on healthcare, education, and other social initiatives. As part of the above initiative, the CSR Committee of the Board addresses, *inter alia*, issues relating to the environment, health, safety, security and the rehabilitation and resettlement of persons affected at the Company's project sites.

Reliance Power Limited

Corporate Governance Report

L. Role of the Company Secretary in Governance Process

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

M. Independent Statutory Auditors

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

M/s. Price Waterhouse, Chartered Accountants

M/s. Chaturvedi & Shah, Chartered Accountants

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

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

O. Compliance with clause 49 of the listing agreement

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

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

I. Board of Directors

1. Board Composition - Board strength and representation

As on March 31, 2014, the Board consisted of five members. The composition of and the category of directors on the Board of the Company were 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	Dr. V. K. Chaturvedi (DIN-01802454) Shri Sateesh Seth** (DIN-00004631)
Independent Directors	Shri J. L. Bajaj® (DIN-00004652) Dr. Yogendra Narain (DIN-01871111) Shri D. J. Kakalia* (DIN-00029159)

@Has relinquished office as an Independent Director effective from August 13, 2014, upon attaining the age of 75 years in accordance with the Company's Board Charter.

* Appointed as an Additional Director w.e.f. September 13, 2013, and proposed to be appointed as Independent Director for a period of three years effective from the date of passing of the resolution by the members through Postal Ballot.

**Appointed as an Additional Director w.e.f. July 18, 2014. It is proposed to appoint him as a Director, liable to retire by rotation by seeking the approval of the members by Postal Ballot.

Notes:

- No Director is related to any other director.
- No Director has any business relationship with the Company.
- No Director has received any loans and advances from the Company during the year.

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

Shri Ramaswami Kalidas, is the Company Secretary (Membership No. FCS 2440). He has also been made the Manager of the Company in terms of the provisions of the Companies Act, 1956, for a period of five years with effect from May 27, 2011.

2. Conduct of Board proceedings

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

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

- review, monitor and approve major financial and business strategies and corporate actions;
- assess critical risks facing the Company - review options for their mitigation;
- provide counsel on the selection, evaluation, development and compensation of senior management;
- ensure that processes are in place for maintaining the integrity of:
 - the Company;
 - the financial statements;
 - compliance with law;
 - relationship with all the stakeholders;
- delegation of appropriate authority to the senior executives of the Company for effective management of operations of the Company.

Corporate Governance Report

3. Board meetings

The Board held four meetings during the financial year 2013-14 on the following dates:

May 13, 2013, July 30, 2013, November 11, 2013 and February 6, 2014.

The maximum time gap between any two meetings during the year under review was 103 days and the minimum gap was 77 days.

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

4. 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 as approved by the Central Government

have become mandatory. However, the approved versions of the above standards are yet to be released.

Notwithstanding the above, the Company has been adhering voluntarily to the standards issued by the Institute of Company Secretaries of India (ICSI) on key corporate functions like Board meetings, General meetings, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report.

5. Attendance of Directors and other Directorships

Attendance of the Directors at the Board Meetings held during FY 2013-14 and the last Annual General Meeting (AGM) held on August 27, 2013, details of directorships (calculated as per provisions of Sections 275 and 278 of the Companies Act, 1956), Committee Memberships and the Committee Chairmanships, held by the directors as on March 31, 2014 were as under:

Name of Director	Number of Board Meetings attended out of four meetings held during the Year	Attendance at the Last AGM held on August 27, 2013	No. of Directorships (including RPower)	Committee(s) position (including RPower)	
				Member	Chairman
Shri Anil Dhirubhai Ambani	4 out of 4	Present	6	1	-
Shri J. L. Bajaj [@]	4 out of 4	Present	6	5	3
Dr. Yogendra Narain	4 out of 4	Absent	2	3	1
Dr. V. K. Chaturvedi	4 out of 4	Present	2	3	-
Shri D. J. Kakalia [*]	2 out of 2	N.A.	3	4	-
Shri Sateesh Seth ^{**}	N.A.	N.A.	4	3	-

[@] Relinquished office as an Independent Director effective from August 13, 2014, upon attaining the age of 75 years.

^{*} Appointed as an Additional Independent Director on September 13, 2013

^{**} Appointed as an Additional Director w.e.f. July 18, 2014

Notes:

- None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
- No director holds membership of more than 10 committees of board, nor, is he a chairman of more than 5 committees of Board across companies with which he associated as a Director.
- The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the listing agreement: (i) Audit Committee, and (ii) Shareholders/Investors Grievance Committee.
- Membership of Committees include chairmanships, if any.

6. Details of Directors

The abbreviated resumes of all directors is furnished hereunder:

Shri Anil D. Ambani

Shri Anil D. Ambani, 55, is the Chairman of the Company, Reliance Communications Limited, Reliance Capital Limited, and Reliance Infrastructure Limited. He is also on the Board of Reliance Infratel Limited and Reliance Anil Dhirubhai Ambani Group Limited. He is the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat. He is a member of the 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. He is currently a member of:

- Wharton Board of Overseers, The Wharton School, USA
- Executive Board, Indian School of Business (ISB), Hyderabad

The Prime Minister of India nominated Shri Ambani as the Co-Chair from the Indian side of the India-China CEO Forum in 2011.

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As on March 31, 2014, Shri Anil D. Ambani held 4,65,792 equity shares in the Company including 1,000 shares held jointly with AAA Project Ventures Private Limited.

Dr. Yogendra Narain, 72, is a former Secretary-General, Rajya Sabha – the Upper House of the Parliament of India. Dr. Yogendra Narain retired from the Indian Administrative Services after serving for over 42 years. He has worked in various capacities in administration in the State of Uttar Pradesh and the Government of India. He served as Principal Secretary, Power and Irrigation, Uttar Pradesh. He also served as the Principal Secretary to the Governor, Uttar Pradesh; as Secretary, Ministry of Surface Transport, Government of India; Chief Secretary, Government of Uttar Pradesh and Defence Secretary to the Government of India. He is also the founder-Chairman of the Greater NOIDA Industrial Development Authority and the founder-Chairman of the National Highways Authority of India. Dr. Narain holds degrees such as B.Sc., M.A. (Political Science), Diploma in Development Economics, M. Phil and Ph. D.

He is a Member of Audit Committee, the Stakeholder Relationship Committee (Formerly known as Shareholders / Investors Grievance Committee), Nominations and Remuneration Committee and Employees Stock Option Scheme (ESOS) Compensation Committee, of the Company. He is the Chairman of the Corporate Social Responsibility Committee (Formerly known as Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee) of the Company. He is also Chairman of Sasan Power Limited as a nominee of Reliance Power Limited. He is also the Chairman of the Audit Committee in the said Company.

Dr. Narain does not hold any shares in the Company as of March 31, 2014.

Pursuant to the Company's Board Charter referred to herein above, it is proposed to appoint Dr. Yogendra Narain as an Independent Director of the company not liable to retire by rotation for a period of two years effective from the date of passing of the resolution by the members through Postal Ballot.

Dr. V. K. Chaturvedi, 71, is a former Chairman & Managing Director of Nuclear Power Corporation of India Limited. He has also been a Member of the Atomic Energy Commission, Government of India and Chairman of World Association of Nuclear Operators (WANO), Tokyo Centre and also a Governor in the International WANO Board, London for 2 years. Dr. Chaturvedi is a gold medalist in mechanical engineering (1965 batch) from Vikram University and later he did his post-graduation in nuclear engineering from BARC training school, Mumbai. He has over 46 years of experience in relation to design, construction, commissioning and operation of nuclear power plants. He was conferred the 'Padma Shri' in the year 2001, one of India's highest civilian awards. He is also a recipient of number of other prizes and awards.

He is presently Member of Audit Committee, Stakeholder Relationship Committee (Formerly known as Shareholders / Investors Grievances Committee), Employees Stock Option Scheme (ESOS) Compensation Committee and Corporate

Social Responsibility Committee (Formerly known as Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee) of the Company. He is Chairman of the Nomination and Remuneration Committee of the Company. He is also a Director in Reliance Infrastructure Limited and a Member of the said Company's Shareholders / Investors Grievances Committee.

Dr. Chaturvedi does not hold any shares in the Company as of March 31, 2014.

It is proposed to re-appoint Dr. Chaturvedi as a Director liable to retire by rotation at the ensuing Annual General Meeting of the Members of the Company.

Shri D. J. Kakalia, 65, was appointed by the Board as an Additional Independent Director on the Board on September 13, 2013.

The brief profile of Shri D. J. Kakalia is as under:

He has obtained Commerce Degree (B. Com) from Siddharth College of Commerce & Economics, Mumbai, and Law Degree (LL.B) from Government Law College, Mumbai. 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 an extensive 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 power sector.

He specializes in the 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. Has regularly appeared 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 and Reliance Broadcast Network Limited.

He is a Member of the Audit Committee, the Stakeholder Relationship Committee (Formerly known as Shareholders / Investors Grievance Committee), Nomination and Remuneration Committee, Employees Stock Option Scheme (ESOS) Compensation Committee and Corporate Social Responsibility Committee (Formerly known as Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee) of the Company. He is also a Member of the Audit Committee of Aditya Birla Finance Limited and Member of Stakeholders Relationship Committee of Reliance Broadcast Network Limited.

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It is proposed to appoint Shri D. J. Kakalia as an Independent Director of the company not liable to retire by rotation for a period of three years effective from the date of passing of the resolution by the members through Postal Ballot.

Shri Kakalia does not hold any shares in the Company as of March 31, 2014.

Shri Sateesh Seth, 59, 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, Tech Barrack Solutions Private Limited and Mumbai Metro One Private Limited.

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

It is proposed to appoint Shri Sateesh Seth as a Director liable to retire by rotation effective from the date of passing of the resolution by the members through Postal Ballot.

Shri Sateesh Seth does not hold any shares in the Company as of the date of this Report.

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 and Officers.

II. Audit Committee

In terms of Clause 49 of the listing agreement as well as Section 177 of the Companies Act, 2013 (which corresponds to Section 292A of the Companies Act, 1956), the Board has constituted the Audit Committee of the Board of Directors. During the financial year 2013-14, the Audit Committee consisted of the following persons:

- a) Shri J. L. Bajaj, Chairman.
- b) Dr. Yogendra Narain.
- c) Dr. V. K. Chaturvedi.
- d) Shri D. J. Kakalia (with effect from September 13, 2013).

Shri Sateesh Seth was appointed to the Committee consequent upon his appointment as an Additional Director with effect from July 18, 2014.

The Audit Committee is chaired by Shri J. L. Bajaj, who has wide experience on economic and financial issues. All Members of the Committee are financially literate. The Audit Committee, *inter alia*, advises the management on areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved. The minutes of the meetings of the Audit Committee are placed before the Board.

Pursuant to the Companies Act, 2013, the Board has approved the terms of reference of the Audit Committee. The terms also include all the items listed in Clause 49 (II) of the Listing Agreement, as under;

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible;
2. Recommending the appointment, reappointment, terms of appointment and replacement/removal of the statutory auditors and fixation of audit fee;
3. Approval of payment to statutory auditors for any other services rendered;
4. Reviewing and monitoring the statutory auditor's independence and effectiveness of audit process;
5. Approving transactions with related parties including making modifications subsequently;
6. Scrutinizing inter-corporate loans and investments;
7. Evaluating undertakings or assets of the Company, wherever it is necessary;
8. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on
 - a. matters required to be included in the Director's Responsibility Statement in the Annual Report of the Board;
 - b. any changes in accounting policies and practices and reasons thereof;
 - c. major accounting entries based on exercise of judgment by the management;
 - d. the auditors' report including the qualifications in draft audit report;
 - e. significant adjustments made in the financial statements arising out of audit findings;
 - f. compliance with listing and other legal requirements concerning financial statements;
 - g. disclosure of related party transactions; and h. qualifications in the draft audit report.
9. Reviewing with the management, the performance of the statutory and internal auditors, the adequacy of internal financial control systems and risk management systems;
10. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
11. Discussing with the internal auditors any significant findings and follow up thereon;
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
13. Discussing with the statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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14. Looking 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;
15. Reviewing the financial statements of subsidiaries, in particular their investments;
16. Overseeing the vigil mechanism;
17. Approving the appointment of the Chief Financial Officer after assessing his qualifications, experience, background, etc.;
18. Reviewing the following information:
 - (i) the management's discussion and analysis of financial condition and results of operations;
 - (ii) internal audit reports relating to internal control weaknesses;
 - (iii) management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (iv) statement of significant related party transactions; and
 - (v) the appointment, removal and terms of remuneration of the "Chief Internal Auditor."
19. Carrying out all other functions as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is also authorised to:

- a. To investigate any activity within its terms of reference;
- b. To seek any information from any employee;
- c. To obtain outside legal and professional advice;
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary;
- e. To call for comments from the auditors about internal control systems and the scope of audit, including the observations of the auditors;
- f. To review financial statements before submission to the Board; and
- g. To 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 2013-14

The Audit Committee held its meetings on May 13, 2013, July 30, 2013, November 11, 2013 and February 6, 2014. The maximum gap between any two meetings was 103 days and the minimum gap was 77 days.

Members	Meetings held during the tenure	Meetings attended
Shri J. L. Bajaj, Chairman	4	4
Dr. Yogendra Narain	4	4
Dr. V. K. Chaturvedi	4	4
Shri D. J. Kakalia*	2	2

*Shri D. J. Kakalia was made a member of the Audit Committee from September 13, 2013, being the date of his appointment as an Additional Independent Director of the Company.

Shri Sateesh Seth was appointed to the Committee consequent upon his appointment as a Director with effect from July 18, 2014.

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

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

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

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

1. The audited annual financial statements of the Company for the year ended March 31, 2014, be accepted by the Board as a true and fair statement of the financial status of the Company.
2. The audited abridged financial statements of the Company for the year ended March 31, 2014, be accepted by the Board as a true and fair statement of the financial status of the Company.
3. The audited consolidated financial statements of the Company, its subsidiaries for the year ended March 31, 2014, be accepted by the Board as a true and fair statement of the financial status.
4. The audited abridged consolidated financial statements of the Company, its subsidiaries for the year ended March 31, 2014, be accepted by the Board as a true and fair statement of the financial status.

III. Nomination and Remuneration Committee (Previously known as Nomination / Remuneration Committee)

The Nomination and Remuneration Committee of the Board had been constituted by the Company in earlier years although this was only a non-mandatory requirement as per Clause 49 of the Listing Agreement. Pursuant to Section 178 of the Companies Act, 2013, it is now mandatory to set up the above Committee. The functions and terms of reference of the Committee have been realigned as per

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the requirements of the Act and Clause 49 of the Listing Agreement.

The Committee comprises of Dr. V. K. Chaturvedi, Dr. Yogendra Narain, Shri J. L. Bajaj, Shri D. J. Kakalia and Shri Sateesh Seth. Shri Kakalia and Shri Seth joined the Committee on September 13, 2013 and July 18, 2014 respectively. Dr. V. K. Chaturvedi is the Chairman of the Committee.

The Committee met once during the year to recommend the remuneration payable to the Manager for the year 2013-14.

Details of service contract:

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

Managerial remuneration policy

The Nomination and Remuneration Committee *inter alia* determines and recommends to the Board, the compensation of the directors, Key Managerial Personnel and the Senior Management. The key components of the Company's remuneration policy are:

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

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

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

Details of Sitting Fees paid to Directors during the year 2013-14

(₹ in lakh)		
Name	Position	Sitting Fees
Shri Anil D. Ambani	Chairman	0.80
Shri J. L. Bajaj@	Director	3.00
Dr. Yogendra Narain	Director	3.00
Dr. V. K. Chaturvedi	Director	3.00
Shri D. J. Kakalia*	Director	1.60
Total		11.40

*Appointed as Additional Independent Director on September 13, 2013.

@As per Board Charter, relinquished office as an Independent Director effective from August 13, 2014 upon attaining the age of 75 years.

Notes:

- The Company did not pay any amount to directors by way of salary and perquisites.
- The Company did not pay any amount to directors by way of commission.

- The Company has so far not issued any stock options to its directors.
- 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 ₹ 20,000 for attending each meeting of the Board and its Committees.

IV. Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Act, the Committee has been renamed as the "Stakeholders Relationship Committee" with effect from May 19, 2014. The Committee shall in addition to its existing functions also consider and resolve the grievances of other stakeholders such as debenture holders, deposit holders, etc.

The Stakeholders Relationship Committee comprised of Shri J. L. Bajaj as Chairman and Dr. Yogendra Narain, Dr. V. K. Chaturvedi, Shri D. J. Kakalia and Shri Sateesh Seth as Members. Shri Kakalia and Shri Seth joined the Committee on September 13, 2013 and July 18, 2014 respectively.

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

The Stakeholders Relationship Committee held its meetings on May 13, 2013, July 30, 2013, November 11, 2013 and February 6, 2014 and the maximum gap between any two meetings was 103 days and the minimum gap was 77 days.

Attendance of members at the meeting of the Stakeholders Relationship Committee held during FY 2013-14:

Members	Meetings held during the tenure of directors	Meetings attended
Shri J. L. Bajaj	4	4
Dr. Yogendra Narain	4	4
Dr. V. K. Chaturvedi	4	4
Shri D. J. Kakalia	2	2

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

V Corporate Social Responsibility Committee (Formerly known as Environment, Health, Safety, Security, Rehabilitation and Resettlement Committee):

The Committee comprises of the following Directors:

- Dr. Yogendra Narain
- Shri J. L. Bajaj
- Dr. V. K. Chaturvedi
- Shri D. J. Kakalia (with effect from September 13, 2013)
- Shri Sateesh Seth (with effect from July 18, 2014)

Reliance Power Limited

Corporate Governance Report

Dr. Yogendra Narain is the Chairman of the Committee.

A dedicated Committee of the Board comprising of majority of Independent Directors was set up two years ago to address environmental aspects, safety, security, rehabilitation and resettlement of persons affected by the Company's projects. As a voluntary initiative, the above is indicative of the Company's commitment as a responsible corporate citizen to promote a clean and green environment and discharge its responsibilities to the Society. In line with the requirements of the Companies Act, 2013 (the Act), the Committee has been renamed as 'Corporate Social Responsibility Committee'. In addition to its existing functions, the Committee shall discharge all the functions as stated in Section 135 of the Act and the Rules thereunder.

The Committee held two meetings during the year on July 29, 2013 and February 6, 2014. The meetings were attended by all the Members of the Committee.

VI. Compliance Officer

Shri Ramaswami Kalidas, the Company Secretary is also the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

VII. Employees Stock Option Scheme (ESOS) Compensation Committee

The ESOS Compensation Committee comprised of five directors i.e. Dr. Yogendra Narain, Shri J. L. Bajaj, Shri D. J. Kakalia, Dr. V. K. Chaturvedi and Shri Sateesh Seth. Shri Kakalia and Shri Seth joined the Committee from September 13, 2013 and July 18, 2014, respectively.

Dr. Yogendra Narain is the Chairman of the Committee. The Committee did not meet during the year under review.

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

VIII. Employee Stock Option Scheme

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

The Plan has been prepared in due compliance of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws. The Options will vest at the end of one year from the date of Grant and shall be eligible for exercise up to a period of nine years from the date of Vesting under the Plan.

IX. General Body Meetings

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

Financial Year	Date and Time	Whether Special Resolution(s) passed or not
2012-13	August 27, 2013 - 2.00 P.M.	Yes Issue of equity shares to the Qualified Institutional Buyers

Financial Year	Date and Time	Whether Special Resolution(s) passed or not
2011-12	September 4, 2012 - 2.00 P.M.	Yes 1. Issue of equity shares to the Qualified Institutional Buyers
2010-11	September 27, 2011 - 2.00 P.M.	Yes 1. Issue of equity shares to the Qualified Institutional Buyers 2. Raising of resources through Issue of Securities in the International Markets

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

X. Postal Ballot

The Company has not conducted any Postal Ballot during the financial year 2013-14.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of a special resolution through Postal Ballot under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Certain items of business including items which are mandatorily required to be approved by the Members through Postal Ballot pursuant to Section 110 of the Companies Act, 2013 and the Rules made thereunder, are proposed to be approved through Postal Ballot by Members, for which notice has been separately issued to the Members.

XI. Means of communication

- Quarterly Results:** Quarterly Results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily Marathi vernacular newspaper and are also posted on the Company's website www.reliancepower.co.in.
- 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.
- Website:** The Company's website contains a separate dedicated section 'Investor Information'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/facilities extended by the Company to our investors, in an user friendly manner. The basic information about the Company as called for in terms of clause 54 of the Listing Agreement with the Stock Exchanges is provided on the Company's website and the same is updated regularly.
- Annual Report:** Annual Report containing, *inter alia*, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.

Corporate Governance Report

As the Companies Act, 2013 and the Rules thereunder facilitate the service of documents to members through electronic means, the Company has accordingly e-mailed to all those Members whose e-mail IDs are available with its Registrar and Transfer Agent, the soft copies of the Annual Report including the unabridged Financial Statements for the year ended March 31, 2014.

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

Toll free no. (India) : 1800 4250 999

Telephone no. : +91 40 4030 8000

Fax no. : +91 40 2342 0859

E-mail : rpower@karvy.com

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

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

- g. **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.

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

The NEAPS is web based system designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.

- i. **BSE Corporate Compliance & Listing Centre (the "Listing Centre")**

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre.

XII. Compliance with other mandatory requirements

1. Management Discussion and Analysis

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

2. Subsidiaries

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

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

- The minutes of the meetings of the Boards of the subsidiary companies are periodically placed before the Company's Board.
- Financial statements, in particular the investments made by the subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- A statement containing all significant transactions and arrangements entered into by the subsidiary companies is placed before the Audit Committee / Board.
- 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 as and when a Subsidiary becomes a "material unlisted subsidiary" within the meaning of the above expression in accordance with Clause 49 of the listing agreement. Keeping in view the above requirement, Shri J. L. Bajaj and Dr. Yogendra Narain, Independent Directors have been nominated as Independent directors of Rosa Power Supply Company Limited and Sasan Power Limited, respectively.

3. Disclosures

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

b. Related Party Transactions

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

c. Accounting Treatment

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

d. Risk Management

The Company has laid down a robust Risk Management Policy defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

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

Reliance Power Limited

Corporate Governance Report

e. Code of Conduct

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

The code had been circulated to all the members of the Board and senior management and the same has been put on the Company's website www.reliancepower.co.in. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Manager of the Company appointed in terms of the Companies Act, 1956 [i.e. the CEO within the meaning of Clause 49(V) of the listing agreement] is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2013-14."

Ramaswami Kalidas
Manager

f. CEO and CFO Certification

Shri N. Venugopala Rao, Chief Financial Officer and Shri Ramaswami Kalidas, Manager of the Company, give certification on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement.

g. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XIII. Policy on insider trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('the Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company Secretary is the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company's Code, *inter alia*, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's updated Code is available on the Company's website.

XIV. Compliance with Clause 5A of the Listing Agreement

As per Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in suspense account relating to Initial Public Offer (IPO), Bonus Issue and the issue of shares pursuant to the Composite Scheme of Arrangement between the Company and Reliance Natural Resources Limited and Others.

i) Unclaimed Shares Suspense Accounts – IPO and Bonus Issue

The Committee 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, 2014, as under:

Particulars	No. of Shareholders	No. of Shares
i. Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2013	5,853	1,52,914
ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2013-14	78	2,050
iii. Number of shareholders to whom shares were transferred from suspense account during the year 2013-14	78	2,050
iv. Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2014	5,775	1,50,864

ii) Unclaimed Shares Suspense Account – Arising out of Demerger of Reliance Natural Resources Limited

Particulars	No. of Shareholders	No. of Shares
i. Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2013	90,210	10,21,032
ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2013-14	551	12,916
iii. Number of shareholders to whom shares were transferred from suspense account during the year 2013-14	551	12,916
iv. Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2014	89,659	10,08,116

The voting rights on the shares outstanding in the suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

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

Corporate Governance Report

XV. Compliance with non-mandatory requirements

1. Tenure of independent directors on the Board

The tenure of independent directors on the Board of the Company shall not exceed the period as per provisions of the Companies Act, 2013 and Listing Agreement entered into with the Stock Exchanges.

2. Nomination and Remuneration Committee

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

3. Disclosures

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

4. Audit qualifications

There are no audit qualifications on the financial statements of the Company for the year 2013-14.

5. Training of Board members

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

6. Whistle Blower / Vigil Mechanism policy

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

The policy also lays down the mechanism for making enquiry into whistle blower complaints received by the

Company. Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the audit committee.

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

Section 177 of the Companies Act, 2013 provides *inter alia* that every listed company shall establish a vigil mechanism for directors and employees to report genuine concerns in the manner prescribed. As the Company already has in place a whistle blower policy, the said policy is now known as "Vigil Mechanism" and the Company has already taken necessary steps in this direction.

XVI. General shareholder information

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

Auditor's certificate on corporate governance

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

Review of governance practices

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

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

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To

The Members of Reliance Power Limited

We have examined the compliance of the conditions of Corporate Governance by **Reliance Power Limited** ('the Company'), for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges in India.

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

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

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

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

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

Partha Ghosh
Partner
Membership No. 55913
Place : Mumbai
Date : August 18, 2014

C. D. Lala
Partner
Membership No. 35671
Place : Mumbai
Date : August 18, 2014

Reliance Power Limited

Investor Information

IMPORTANT POINTS

Hold Securities in Dematerialized Form

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

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

Hold Securities in Consolidated form

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

Register for SMS alert Facility

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 dematerialized format.

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

Deal only with SEBI Registered Intermediaries

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

Corporate Benefits in Electronic Form

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

Register e-mail address

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

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 shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

Facility for a Basic Services Demat Account (BSDA)

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

Book closure dates for the purpose of AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 20, 2014 to Tuesday, September 30, 2014 (both days inclusive) for the purpose of AGM.

Annual General Meeting (AGM)

The 20th Annual General Meeting of the Members of the Company will be held on Tuesday, September 30, 2014 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.

E-voting

The Members can cast their vote online from Wednesday, September 24, 2014 at 10:00 A.M. to Friday, September 26, 2014 till 6:00 P.M.

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 contains a separate dedicated section called 'Investor Relations'. It contains comprehensive data base of information of interest to our investors including the financial results, annual reports, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/facilities extended to our investors.

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

Investor Information

Registrar and Transfer Agent (RTA)

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

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

Share Transfer System

Shareholders / investors are requested to send share certificate(s) along with the share transfer deed in the prescribed Form SH 4 pursuant to Section 56 of the Companies Act, 2013 and the Rules made thereunder, duly filled in executed and affixed with the share transfer stamp, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days from the date of receipt of transfer documents by Company's RTA.

Unclaimed fractional bonus warrants

The Company had issued fractional bonus warrants to the members in lieu of their fractional entitlements to bonus shares pursuant to the bonus shares allotted to them on June 11, 2008. Members who have not so far encashed their fractional bonus

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

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

Unclaimed fractional warrants - Composite Scheme of Arrangement

The Company had issued to the shareholders of Reliance Natural Resources Limited ('RNRL') fractional warrants against the sale proceeds arising out of the consolidation and disposal of their fractional entitlements consequent upon the Composite Scheme of Arrangement between Reliance Natural Resources Limited ('RNRL') and Reliance Power Limited ('the Company' or 'RPower') and others, as approved by the Hon'ble High Court of Judicature at Bombay, vide its order dated October 15, 2010. Members who have not so far encashed their fractional warrants or have not received the fractional warrants are requested to seek issuance of duplicate fractional warrants by communicating with our RTA, Karvy Computershare Private Limited, for payment of their unclaimed amounts due.

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

Shareholding Pattern

Category of Shareholders	As on 31.03.2014		As on 31.03.2013	
	No. of shares	%	No. of shares	%
A Shareholding of Promoter and Promoter Group				
i. Indian	210,33,95,004	74.98	210,38,44,849	75.00
ii. Foreign	-	-	-	-
Total shareholding of Promoter and Promoter Group	210,33,95,004	74.98	210,38,44,849	75.00
B Public Shareholding				
i. Institutions	32,87,00,662	11.72	31,97,90,692	11.40
ii. Non-Institutions	37,24,45,575	13.28	38,09,05,115	13.58
Total Public Shareholding	70,11,46,237	25.00	70,06,95,807	24.98
C Shares held by Custodians against which depository receipts have been issued	5,85,225	0.02	5,85,810	0.02
Grand Total (A+B+C)	280,51,26,466	100.00	280,51,26,466	100.00

Reliance Power Limited

Investor Information

Distribution of shareholding

Number of shares	Number of Shareholders as on 31.03.2014		Total shares as on 31.03.2014		Number of Shareholders as on 31.03.2013		Total shares as on 31.03.2013	
	Number	%	Shares	%	Number	%	Shares	%
1 – 500	3982512	97.91	194134922	6.93	4219372	98.08	204875754	7.31
501 – 5,000	81073	1.99	93818675	3.34	78519	1.83	88758339	3.16
5,001 – 1,00,000	3698	0.09	52479392	1.87	3313	0.08	48361367	1.72
1,00,001 and above	295	0.01	2464693477	87.86	279	0.01	2463131006	87.81
Total	4067578	100.00	2805126466	100.00	4301483	100.00	2805126466	100.00

Dematerialisation of shares

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

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

Status of Dematerialisation of Shares

Out of total 280,51,26,466 equity shares, 279,58,76,501 equity shares constituting 99.67 per cent of total equity share capital are held in dematerialized form with NSDL and CDSL as on March 31, 2014.

Investors' grievances attended

Received from	Received during financial year		Redressed during financial year		Pending as on	
	2013-14	2012-13	2013-14	2012-13	31.03.2014	31.03.2013
Securities and Exchange Board of India	58	171	58	171	0	0
Stock Exchanges	7	26	7	26	0	0
NSDL/CDSL	4	0	4	0	0	0
Other (ROC)	0	0	0	0	0	0
Direct from investors	84	131	84	131	0	0
Total	153	328	153	328	0	0

Analysis of Grievances

Particulars	Number	%	Number	%
	2013-14	2013-14	2012-13	2012-13
Non receipt of Refund Orders / Credit of shares	5	3.27	14	4.27
Non receipt of Share Certificate	1	0.65	0	0.00
Non receipt of Refund Orders	82	53.59	153	46.65
Non Credit of Shares / Others	27	17.65	105	32.01
Non Credit of bonus Shares / Others	0	0.00	7	2.13
Non receipt of fractional warrants	30	19.61	24	7.32
Non receipt of Annual Report	8	5.23	25	7.62
Total	153	100.00	328	100.00

There was no complaint pending as on March 31, 2014.

Notes:

- The shareholder base was 40,67,578 as of March 31, 2014 and 43,01,483 as of March 31, 2013.
- 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 0.004 percent of the total number of members as of March 31, 2014.

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.

Reliance Power Limited

Investor Information

Equity Capital Build-up

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

Stock Exchange Listings

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

- | | |
|--|--|
| <p>i. National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051
website : www.nseindia.com</p> | <p>ii. BSE Limited (BSE)
Phiroz Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
website : www.bseindia.com</p> |
| <p>2. Stock Exchange on which Company's Global Depository Receipts (GDRs) are listed (Effective from May 17, 2011)
Luxembourg Stock Exchange Undertaking
Societe de la Bourse de Luxembourg, S.A.
BP 165 / L-2011 Luxembourg
www.bourse.lu</p> | <p>3. Depository for GDR holders
Depository
Deutsche Bank Trust
Company Americas, 60
Wall Street
New York 10005</p> |

Custodian

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

Stock Codes/Symbol

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

Security Code for GDRs

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

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

Payment of Listing Fees

Annual listing fees for the year 2014-15 (as applicable) has been paid by the Company to the Stock Exchanges

Stock Price and Volume

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

Financial Year 2013 - 14	BSE			NSE		
	High ₹	Low ₹	Volume No. of shares	High ₹	Low ₹	Volume No. of shares
April '13	77.85	61.85	4,99,13,532	77.85	61.50	15,33,31,190
May '13	83.10	68.45	7,28,99,465	83.10	68.50	21,00,32,911
June '13	71.90	60.35	3,67,52,910	71.85	60.35	11,20,07,754
July '13	81.80	64.40	8,24,10,039	81.95	64.30	28,05,81,681
August '13	76.70	63.80	5,08,05,360	76.70	63.80	15,98,59,035
September '13	73.55	65.25	6,35,01,010	73.65	65.15	21,04,96,198

Reliance Power Limited

Investor Information

Financial Year 2013 - 14	BSE			NSE		
	High ₹	Low ₹	Volume No. of shares	High ₹	Low ₹	Volume No. of shares
October '13	77.60	66.65	4,41,85,735	77.65	66.60	14,19,28,384
November '13	78.85	69.05	3,60,94,664	78.90	69.00	11,85,47,901
December '13	76.90	69.55	3,17,06,010	76.80	69.40	10,01,18,378
January '14	75.20	60.65	12,30,74,052	75.20	60.50	9,30,88,885
February '14	64.45	60.10	1,58,51,717	64.50	60.00	6,09,90,263
March '14	71.00	60.10	8,97,14,796	71.20	60.10	9,26,19,209

An Index Scrip

The Equity shares of the Company are actively traded on bourses and included in almost all indices i.e. BSE-100, BSE-200, BSE-500, BSE Carbonex, BSE Power, BSE Basic Industries, BSE India Infrastructure, S&P CNX 500, CNX 200, CNX 100, S&P CNX Defty, CNX Infrastructure, CNX Energy, CNX Service and Futures and Options Trading, CNX High Beta, Dow Jones Global Total Stock Market Index, Dow Jones Global Index, S&P India Select Index, S&P Global BMI and S&P/IFCI.

Share Price Performance in comparison with broad based indices - Sensex (BSE) and Nifty (NSE) as on March 31, 2014

Period	RPower	Sensex	Nifty
FY 2013-14	14.78 per cent	18.85 per cent	17.98 per cent
2 years	-39.56 per cent	28.63 per cent	26.60 per cent
3 years	-45.53 per cent	15.12 per cent	14.92 per cent

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

Debt Securities

Following Debt Securities were listed on the Wholesale Debt Market (WDM) segment of NSE and F Group Instrument segment of BSE.

Debentures	ISIN	Date of Allotment	Date of Maturity	Total Size (₹ in crore)
10.20% Non-convertible Debentures*	INE614G08012	June 13, 2013	June 12, 2014	212

*Since redeemed

Debenture Trustee

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

Key Financial Reporting Dates for the Year 2014-15

Unaudited Results for the First Quarter ending June 30, 2014	: On or before August 14, 2014
Unaudited Results for the Second Quarter / half year ending September 30, 2014	: On or before November 14, 2014
Unaudited Results for the Third Quarter ending December 31, 2014	: On or before February 14, 2015
Audited Results for the Financial Year 2014-15	: On or before May 30, 2015

Depository Services

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

Investor Information

Communication to Members

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

Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a certificate reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid up capital. The said certificate, duly certified by a qualified chartered accountant/ company secretary is submitted to the stock exchanges where the securities of the Company are listed within 30 days 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 of the Company:

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

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

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

Company Secretary and Manager
Reliance Power Limited,
H Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai 400 710
Tel : +91 22 3032 7648
Fax : +91 22 3038 5169
E-mail : reliancepower.investors@relianceada.com

Plant Locations

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

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

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

Reliance Power Limited

Independent Auditors' Report on Abridged Financial Statements

To the Members of Reliance Power Limited

Report on the abridged financial statements

1. The accompanying abridged financial statements of Reliance Power Limited (the "Company") comprise the abridged Balance Sheet as at March 31, 2014, the abridged Statement of Profit and Loss and abridged Cash Flow Statement for the year then ended together with the related notes, which we have signed under reference to this report.
2. These abridged financial statements are derived from the statutory audited financial statements of the Company for the year ended March 31, 2014 prepared by the Company's Management in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, covered by our attached report of even date to the Members of the Company pursuant to section 227 of the Act, in which we have expressed an unmodified audit opinion.
3. The abridged financial statements do not contain all the disclosures required by the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and Schedule VI to the Act, applied in the preparation and presentation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged Financial Statements

4. The Company's Management is responsible for the preparation of the abridged financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 (the "Rules") read with the amendments thereto and based on the audited financial statements for the year ended March 31, 2014. The Company's Management (including Directors)

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

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

Auditors' Responsibility

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

Opinion

7. In our opinion, the accompanying abridged financial statements, are consistent, in all material respects, with the audited statutory financial statements of the Company as at and for the year ended March 31, 2014 prepared in accordance with Schedule VI to the Act, covered by our attached report of even date to the Members of the Company pursuant to section 227 of the Act, in accordance with the Rules.

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

Partha Ghosh
Partner
Membership No. 55913

Place: Mumbai
Date: May 19, 2014

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

C. D. Lala
Partner
Membership No. 35671

Place: Mumbai
Date: May 19, 2014

Independent Auditors' Report on Financial Statements

To the Members of Reliance Power Limited

Report on the financial statements

1. We have audited the accompanying financial statements of Reliance Power Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's responsibility for the financial statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor's consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

Partha Ghosh
Partner
Membership No. 55913

C. D. Lala
Partner
Membership No. 35671

Place: Mumbai
Date: May 19, 2014

Place: Mumbai
Date: May 19, 2014

Reliance Power Limited

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Reliance Power Limited on the financial statements as of and for the year ended March 31, 2014

1. (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) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. No physical verification has been performed as at year end, as there is no closing balance.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of energy, goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under Section 209 (1) (d) of the Act 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.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2014 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, customs duty and excise duty which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, except for the unutilised proceeds of term loans to the extent of Rs. 316,118,897 held in mutual funds at the year end, the term loans have been applied for the purposes for which they were obtained.

Annexure to Independent Auditors' Report

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has issued unsecured non convertible debentures, aggregating Rs. 13,120,000,000 which are outstanding at the year-end, in respect of which it is not required to create security or charge.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Partha Ghosh
Partner
Membership No. 55913

Place: Mumbai
Date: May 19, 2014

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

C. D. Lala
Partner
Membership No. 35671

Place: Mumbai
Date: May 19, 2014

Reliance Power Limited

Abridged Balance Sheet as at March 31, 2014 (Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

Particulars	As at March 31, 2014 Rupees in lakhs	As at March 31, 2013 Rupees in lakhs
I Equity and liabilities		
(1) Shareholders' funds		
(a) Paid-up share capital - equity	279,663	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	1,091,741	1,104,823
(iv) General reserve	9,423	9,423
(v) General reserve (arisen pursuant to various schemes)	153,194	153,194
(vi) Debenture redemption reserve	4,539	-
(vii) Foreign currency monetary item translation difference account	29,407	20,999
(viii) Surplus in the Statement of Profit and Loss	52,777	51,614
	1,682,697	1,682,519
(2) Non-current liabilities		
(a) Long-term borrowings	21,135	-
(b) Other long-term liabilities	1,477	-
(c) Long-term provisions	286	304
	22,898	304
(3) Current liabilities		
(a) Short-term borrowings	228,540	187,778
(b) Trade payables	1,664	861
(c) Other current liabilities	137,729	3,228
(d) Short-term provisions	69	70
	368,002	191,937
Total of (1) to (3)	2,073,597	1,874,760
II Assets		
(4) Non-current assets		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	40,572	8,234
(ii) Intangible assets (Original cost less depreciation/amortisation)	269	174
(iii) Intangible assets under development	-	41
(b) Non-current investments (Unquoted)	1,650,881	1,465,718
(c) Long-term loans and advances	132,527	164,999
(d) Other non-current assets	14,495	14,957
	1,838,744	1,654,123
(5) Current assets		
(a) Current investments		
(i) Quoted [Market value Nil (Previous year: 560 lakhs)]	-	500
(ii) Unquoted	3,161	-
(b) Trade receivables	473	192
(c) Bank balances	54,913	55,682
(d) Short-term loans and advances	159,560	154,893
(e) Other current assets	16,746	9,370
	234,853	220,637
Total of (4) to (5)	2,073,597	1,874,760

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

Note : Complete Balance Sheet, Statement of Profit and Loss, Other Statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website at www.reliancepower.co.in
Compiled from the Audited standalone financial statements of the Company referred to in our report dated May 19, 2014.

As per our attached report of even date

For Price Waterhouse

Firm Registration No: 301112E
Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

C. D. Lala

Partner

Membership No. 35671

For and on behalf of the Board of Directors

Anil D. Ambani

Chairman

**J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi
D. J. Kakalia**

} Directors

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai

Date : May 19, 2014

Place : Mumbai

Date : May 19, 2014

Place : Mumbai

Date : May 19, 2014

Reliance Power Limited

Abridged Statement of Profit and Loss for the year ended March 31, 2014 (Statement containing salient features of Statement of Profit and Loss as per Section 219(1)(b)(iv) of the Companies Act, 1956)

Particulars	Year ended March 31, 2014 Rupees in lakhs	Year ended March 31, 2013 Rupees in lakhs
Income		
Revenue from operations:		
Sales		
Sale of energy	3,287	-
Sale of coal	5,321	-
Other Operating income		
Service income	530	1,030
Fuel handling and service charges	31	171
Net revenue from operations	9,169	1,201
Other Income:		
Dividend	440	965
Interest income	16,116	17,157
Net gain on sale / accrual of income on investments	69	1,288
Gain on foreign exchange fluctuations (net)	7,367	4,061
Provision written back	3,450	-
Gain on sale of assets	-	390
Other non-operating income	1	23
Other Income	27,443	23,884
Total Income	36,612	25,085
Expenditure		
Purchase of coal	5,321	-
Employee benefits expense	4,125	4,763
Finance costs	11,490	2,206
Depreciation and amortisation	1,601	314
Provision for diminution in value of advance to ESOS trust	-	3,450
Administration and other expenses	7,961	3,739
Total Expenditure	30,498	14,472
Profit before exceptional items, adjustments and taxation	6,114	10,613
Exceptional Item		
Gain on redemption of investment in subsidiary	-	40,725
Profit before adjustments and taxation	6,114	51,338
Adjustments:		
Investments in Erstwhile Reliance Clean Energy Private Limited (wholly owned subsidiaries) written-off pursuant to the scheme of amalgamation	-	60,001
Less: Equivalent amount withdrawn from general reserve	-	(60,001)
Profit before tax	6,114	51,338
Provision for taxation		
Current tax	466	-
Income tax for earlier years	-	(55)
Profit for the year	5,648	51,393
Earnings per equity share: (Face value of Rs. 10 each)		
Basic and Diluted (Rupees)	0.20	1.83

The notes are an integral part of these Abridged financial statements.

Compiled from the Audited standalone financial statements of the Company referred to in our report dated May 19, 2014.

As per our attached report of even date

For Price Waterhouse

Firm Registration No: 301112E
Chartered Accountants

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

Partha Ghosh
Partner

Membership No. 55913

C. D. Lala
Partner

Membership No. 35671

For and on behalf of the Board of Directors

Anil D. Ambani

Chairman

**J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi
D. J. Kakalia**

} Directors

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Reliance Power Limited

Abridged Cash Flow Statement for the year ended March 31, 2014

Particulars	Year ended March 31, 2014 Rupees in lakhs	Year ended March 31, 2013 Rupees in lakhs
Cash flows used in operating activities	(1,769)	(4,700)
Cash flows used in investing activities	(159,432)	(145,908)
Cash flows from financing activities	155,579	185,769
Net Increase / (Decrease) in cash and cash equivalents	(5,622)	35,161
Opening Balance of cash and cash equivalents:		
- Balance in current account	4,290	4,876
- Remittance in transit	748	-
- Balance in fixed deposit	50,000	15,000
Cash and cash equivalents acquired:		
- Pursuant to the scheme of amalgamation with Reliance Clean Energy Private Limited	-	1
- Pursuant to the scheme of amalgamation with Reliance Clean Power Private Limited	4,098	-
- Cash and bank balance with ESOS Trust	69	-
Closing balance of cash and cash equivalents:		
- Balance in current account	3,583	4,290
- Remittance in transit	-	748
- Balance in fixed deposit	50,000	50,000

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

The notes are an integral part of these Abridged financial statements.

Compiled from the Audited standalone financial statements of the Company referred to in our report dated May 19, 2014.

As per our attached report of even date

For Price Waterhouse

Firm Registration No: 301112E
Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

Place : Mumbai

Date : May 19, 2014

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

C. D. Lala

Partner

Membership No. 35671

Place : Mumbai

Date : May 19, 2014

For and on behalf of the Board of Directors

Anil D. Ambani

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**J. L. Bajaj
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Dr. V. K. Chaturvedi
D. J. Kakalia**

} Directors

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai

Date : May 19, 2014

Notes to the abridged financial statements for the year ended March 31, 2014

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. During the year, pursuant to the Scheme of Amalgamation with Reliance Clean Power Private Limited, the Company has taken over 45 MW wind power project at Vashpet, which has declared commercial operations with effect from June 30, 2013 (Refer note 9). The portfolio of the Reliance Power group also includes three ultra mega power projects (UMPP) of 3,960 MW each.

2) Abridged financial statements

The abridged financial statements have been prepared pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 as per notification F. No. 17/51/2012-CL-V, dated May 31, 2012 and are based on the annual financial statements for the year ended March 31, 2014 approved by the Board of Directors at their meeting held on May 19, 2014.

3) (Note 2 of notes to financial statements)

Significant accounting policies:

(a) Basis of accounting

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

(b) Use of estimates

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

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

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

(d) Intangible assets:

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

(e) Depreciation / Amortisation:

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

(f) Investments

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

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

(g) Provisions and Contingent liabilities:

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

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

(h) Impairment of assets

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

(i) Borrowing costs

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

(j) Foreign currency transactions:

- (i) Foreign currency transactions are initially accounted at the exchange rates prevailing on the dates of the transactions / exchange rate at which the transaction is actually effected.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:
 - Foreign exchange differences on account of depreciable assets, is adjusted in the cost of depreciable asset and the charge of depreciation is accordingly increased / reduced.
 - In other cases, foreign exchange differences are accumulated in "Foreign currency monetary item translation difference account" and amortised over the balance period of such long term assets / liabilities.
- (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 regulation of Maharashtra Electricity Regulatory Commission.
- (ii) Revenue from sale of coal is recognised when significant risk and reward of ownership is transferred to the buyer as per the terms of contract.
- (iii) Service income represents income from support services recognised as per the terms of the service agreements entered into with the respective parties.
- (iv) Income from fuel handling and service charges is recognised on the basis of services rendered as per the terms of contract.
- (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. Income on fixed maturity plan of mutual fund is recognised on an accrual basis based on the net asset values on the reporting date taking into consideration the principles of reasonable certainty.
- (vi) Dividend income from subsidiaries has been recognised when the Company has established right to receive the same on or before the balance sheet date.

Notes to the abridged financial statements for the year ended March 31, 2014**(l) Employee benefits:****(i) Short term employee benefits:**

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

(ii) Defined contribution plans:

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

(iii) Defined benefit plans:

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

(m) Employee stock option scheme (ESOS)

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

(n) Accounting for taxes on income

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

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

(o) Cash and cash equivalents

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

(p) Earnings per share

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

(q) Commercial papers

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

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

4) (a) Contingent liabilities

- Counter guarantees / Bank guarantees issued on behalf of subsidiary companies aggregating to Rs. 236,129 lakhs (Previous year Rs. 240,355 lakhs).
- Refer note 12 (a) with respect to Coastal Andhra Power Limited.

(b) Capital commitments

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 59 lakhs (Previous year Rs. 136 lakhs).

(c) Other commitments

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

5) Details of remuneration to auditors:

	Rupees in lakhs	
	Year ended March 31, 2014	Year ended March 31, 2013
(a) As auditors		
For statutory audit	87	56
For others	39	4
(b) Out-of-pocket expenses	2	2
	128	62

6) Expenditure in foreign currency:

	Rupees in lakhs	
	Year ended March 31, 2014	Year ended March 31, 2013
(a) Professional and consultation fees	106	84
(b) Interest and finance charges	757	-
(c) Others	565	@

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

7) Capital reserve (arisen pursuant to scheme):

The Capital reserve of Rs. 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 5, 2013. The Scheme was effective from January 1, 2013. As per the Scheme, the investment of Rs. 60,001 lakhs of the Company in 6,010,000 equity shares of RCEPL had been cancelled and written off in the Statement of Profit and Loss. The Company has taken over all the assets aggregating to Rs. 60,000 lakhs and liabilities aggregating to Rs. 5 lakhs at their respective book values, further an equivalent amount of Rs. 60,001 lakhs has been withdrawn from the general reserve and credited to the Statement of Profit and Loss in the previous year. The difference aggregating to Rs. 59,995 lakhs being the excess arising on transfer of assets and liabilities has been treated as capital reserve (arising pursuant to the Scheme).

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

- a) The General reserve of Rs. 111,503 lakhs had arisen pursuant to the composite scheme of arrangement between the Company, Reliance Natural Resources Limited, erstwhile Reliance Futura Limited and four wholly owned subsidiaries viz. Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited. The said Scheme has been sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010.
- b) The General reserve of Rs. 18,707 lakhs had arisen pursuant to the scheme of amalgamation with erstwhile Sasan Power Infrastructure Private Limited, sanctioned by the Hon'ble High Court of Bombay vide order dated April 29, 2011. The Scheme was effective from January 1, 2011.
- c) The General reserve of Rs. 22,984 lakhs had arisen pursuant to the scheme of amalgamation with erstwhile Sasan Power Infrastructure Limited, sanctioned by the Hon'ble High Court of Bombay, vide order dated December 23, 2011. The Scheme was effective from September 1, 2011.

Notes to the abridged financial statements for the year ended March 31, 2014

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) Scheme of amalgamation between the Company and Reliance Clean Power Private Limited

Reliance Clean Power Private Limited (RCPPL), a wholly owned subsidiary in business of development and operation of 45 MW wind power project at Vashpet, was amalgamated with the Company pursuant to the Scheme of Amalgamation (Scheme), as on and from April 1, 2012, being the appointed date pursuant to the approval of Board of Directors of the Company and sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated May 9, 2014 which was filed with the Registrar of Companies on May 16, 2014.

The Company has carried out the accounting treatment prescribed in the Scheme as approved by the Hon'ble High Court of Judicature at Bombay. The required disclosures for accounting of Scheme as per the "Purchase Method" as given under Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided.

Hence, in accordance with the Scheme:

- a) The Company has taken over all the assets aggregating to Rs.18,875 lakhs and liabilities aggregating to Rs. 8,617 lakhs of RCPPL, based on fair valuation performed by an independent valuer, for assets existing as on the appointed date. The net assets taken over as of April 1, 2012 include:

Assets / Liabilities taken over	Rupees in lakhs
Assets:	
Fixed assets (Including Capital work-in-progress)	11,082
Long-term loans and advances	7,756
Current assets	37
Total Assets	18,875
 Liabilities:	
Long-term liabilities	1,079
Long-term provisions	10
Current liabilities	7,528
Total liabilities	8,617

The Scheme is effective on May 16, 2014 with an appointed date of April 1, 2012. As the financial statements for previous year ended March 31, 2013 have been already approved by the shareholders of the Company, the previous year balances have not been restated and all the relevant accounting entries with respect to the Scheme have been accounted for on April 1, 2013 and consequently, the surplus in the Statement of Profit and Loss as on March 31, 2013 has been transferred to the opening reserve (Refer note 3.2.8) of the Company.

- b) The entire issued, subscribed and paid up share capital of the RCPPL held and will be held by the Company after the appointed date shall be cancelled. Accordingly, investments by the Company in RCPPL amounting to Rs.10,261 lakhs have been cancelled.
- c) No consideration is payable or receivable on implementation of the Scheme as the Scheme involves a wholly owned subsidiary.
- d) The excess of fair valuation of assets over the liabilities after adjusting value of the investments in RCPPL as of April 1, 2012, amounting to Rs. 3 lakhs has been recognised as goodwill.

Further the security charge on the 45 MW wind power project at Vashpet towards borrowing would continue on the Scheme being effective.

10) Employee Stock Option Scheme (ESOS)

Pursuant to the approval accorded by the Shareholders on September 30, 2007 under Section 81(1A) of the Companies Act, 1956, the Company has administered and implemented Employee Stock Option Scheme (ESOS) in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Guidelines). The Board of Directors of the Company has constituted its ESOS compensation committee to operate and monitor the ESOS scheme which is administered through 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 Rs. 10 of the Company at an

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

exercise price of Rs.162 per share. The vesting period of options will commence on expiry of one year from the grant date and all the options granted shall vest immediately. The vested options can be exercised by the eligible employees over a period of nine years from the date of vesting.

The Company has opted for accounting the compensation expenses under 'Intrinsic Value Method'. The closing market price on the date of grant was Rs.140.20 per share at National Stock Exchange (being the latest trading price with highest trading volume). As the exercise price of the share is more than market price, the Company has not accounted for any compensation cost.

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

Particulars	Option details	
Weighted average share price	Rs. 140.20	
Exercise price	Rs. 162.00	
Expected volatility	41.88%	
Vesting period	One year	
Exercise period	7.25 Years	
Risk free interest rate	7.74%	
Expected dividend	-	
Fair Value of option	Rs. 50.42	

	2013-14	2012-13
Opening balance of options	8,500,000	8,500,000
Options granted during the year	-	-
Vested during the year	-	-
Exercised during the year	-	-
Closing balance of options	8,500,000	8,500,000

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

The Company had in earlier years given an advance of Rs 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 recent opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India ("ICAI"), the Company has consolidated financial statement of RPET with the Company's financial statement as at March 31, 2014. Accordingly, face value of equity shares (held by RPET) has been deducted from the paid up share capital and balance Rs. 13,082 lakhs (net of bank balance of RPET) has been grouped under the securities premium account, with a corresponding adjustment to "Advance to RPET". Consequently, provision of Rs.3,450 lakhs towards diminution in value of advance, made in earlier years has been reversed during the year.

11) Status of Dadri Project

- a) The Company proposed developing a 7,480 MW gas-fired power project to be located at the Dhirubhai Ambani Energy City in Dehra village, Dadri, Uttar Pradesh. The State of Uttar Pradesh in the year 2004 had acquired 2,100 acres of land and conveyed the same to the Company in the year 2005. While the State was in the process of acquiring further 400 acres of land for the project, a few land owners had filed writ petitions before the Allahabad High Court challenging the acquisition process under the Land Acquisition Act, 1894 ("the Act"). The Allahabad High Court has disposed of the writ petitions upholding the Section 4 notification and directed compliance with certain procedures relating to land acquisition that were left out earlier by the State Government. The Company has filed appeals against the Allahabad High Court order which are now pending before Supreme Court. Few land owners have also filed appeals/petitions before the Supreme Court challenging Allahabad High Court's order upholding the Section 4 notification and alleging highhanded and forceful actions during the acquisition process, which are pending.
- b) The construction and other allied activities at Dadri project will be commenced as soon as the gas supply is firmed up and on settlement of land issues. During the year there is no change in the status of project.

12) 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 located in Krishnapatnam, District Nellore, based on imported coal.

Notes to the abridged financial statements for the year ended March 31, 2014

CAPL had entered into a firm price fuel supply agreement with Reliance Coal Resources Private Limited (RCRPL), a wholly owned subsidiary of the Company. In view of below mentioned new regulation, RCRPL cannot supply coal at the already agreed price, because of which an element of uncertainty has arisen in the fuel supply for the CAPL project, 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 Rs.40,000 Lakhs (including bank guarantee of Rs. 30,000 Lakhs, which has been issued by the holding company on behalf of CAPL).

CAPL has filed a petition before the Hon'ble High Court at Delhi inter alia for interim relief under Section 9 of the Arbitration and Conciliation Act, 1996. The Court vide its order dated March 20, 2012 has prohibited the Procurers from taking any coercive steps against the Company. The single judge of the Delhi High Court vide order dated July 2, 2012 dismissed the petition and the appeal filed by CAPL against the said order is pending before the Division Bench of the Delhi High Court. The interim protection against encashing bank guarantees continues to be available.

CAPL has also filed a petition before the Central Electricity Regulatory Commission without prejudice to the proceedings pending before the Delhi High Court and the arbitration process already initiated. The Commission adjourned the Petition *sine a die* with permission to mention the matter after disposal of the appeal pending before the Division Bench of the Delhi High Court.

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

b) Samalkot Power Limited (SMPL)

SMPL, a wholly owned subsidiary, is in the process of constructing a 2,262 MW (754 MW x 3) gas based power plant at Kakinada, which based on the current circumstances, has planned its construction work and consequential commercial operations thereafter progressively starting from 2015 - 2016, and it has incurred an aggregated cost of Rs 823,353 lakhs as at March 31, 2014. 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. Based on the business plans and valuation assessment done by the management of SMPL, it is confident that the carrying value of the net assets of SMPL is appropriate and consequently, there is no diminution in the value of investment made by the Company.

13) 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, 2014	Year ended March 31, 2013
(a) Contribution to provident fund	169	169
(b) Contribution to employees' superannuation fund	24	28
(c) Contribution to employees' pension scheme 1995	5	5

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

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:

	2013-2014		2012-2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate (per annum)	8.90%	8.90%	8.00%	8.00%
Rate of increase in compensation levels	7.50%	7.50%	7.50%	7.50%
Rate of return on plan assets	8.25%	-	8.25%	-
Expected average remaining working lives of employees in number of years	8.31	-	9.18	-

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	
	2013-2014	2012-2013	2013-2014	2012-2013
(i) Changes in present value of obligation				
Opening balance of present value of obligation	576	440	353	219
Liability on transfer of employees within the group (net)	3	24	5	8
Liability acquired on amalgamation with RCPPL	@	-	12	-
Interest cost	53	45	34	24
Current service cost	113	104	97	81
Actuarial (gain)/loss	(59)	(37)	(124)	72
Benefits paid	(73)	-	(62)	(51)
Closing balance of present value of obligation	613	576	315	353
(ii) Changes in fair value of plan assets				
Opening balance of present value of plan assets	555	506	-	-
Expected return on plan assets	46	42	-	-
Employer's contribution	48	2	62	51
Actuarial gain/(loss) on plan assets	(3)	5	-	-
Benefits paid	(73)	-	(62)	(51)
Closing balance of fair value of plan assets	573	555	-	-
(iii) Percentage of each category of plan assets to total fair value of plan assets				
Administered by Life Insurance Corporation of India	100%	100%	-	-
(iv) Reconciliation of present value of defined benefit obligations and the fair value of assets				
Closing balance of present value of obligation	613	576	315	353
Closing balance of fair value of plan assets	573	555	-	-
Funded (asset) / liability recognised in the Balance Sheet*	40	21	-	-
Unfunded (asset) / liability recognised in the Balance Sheet#	-	-	315	353

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

Particulars	Rupees in lakhs			
	Gratuity		Leave encashment	
	2013-2014	2012-2013	2013-2014	2012-2013
(v) Amount recognised in the Balance Sheet				
Closing balance of present value of obligation	613	576	315	353
Closing balance of fair value of plan assets	573	555	-	-
Funded (asset) / liability recognised in the Balance Sheet*	40	21	-	-
Unfunded (asset) / liability recognised in the Balance Sheet#	-	-	315	353
(vi) Expenses recognised in the Statement of Profit and Loss				
Current service cost	113	104	97	81
Interest cost	53	45	34	24
Expected return on plan assets	(46)	(42)	-	-
Net actuarial (gain) / loss	(56)	(42)	(124)	72
Total expenses recognised during the year	64	65	7	177
(vii) Actuarial (gain) / loss on obligation				
Net actuarial (gain) / loss due to experience	(4)	(69)	(106)	61
Net actuarial (gain) / loss due to change in assumption	(52)	27	(18)	11
	(56)	(42)	(124)	72
(viii) Expected Employers' contribution for the next year	100	100	-	-

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

* Current and previous year figure grouped under note no 3.5 under Provision for employee benefits.

Grouped under note no 3.5 and 3.9 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.

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

Particulars	Rupees in lakhs									
	2013-2014		2012-2013		2011-2012		2010-2011		2009-2010	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
(i) Present value of the defined benefit obligation	613	315	576	353	440	219	376	333	221	208
Fair value of the plan assets	573	-	555	-	506	-	388	-	274	-
(Surplus)/Deficit in the plan	40	-	21	-	(66)	-	(12)	-	(53)	-
(ii) Experience adjustments										
On plan liabilities	(7)	(106)	(64)	61	(70)	(363)	54	6	-	(49)
On plan assets	(3)	-	5	-	6	-	(4)	-	3	-
Total experience adjustments	(4)	(106)	(69)	61	(76)	(363)	58	6	3	(49)

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

14) Segment reporting:

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

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

Information about business segments - Primary

Particulars	Rupees in lakhs							
	Year ended March 31, 2014				Year ended March 31, 2013			
	Power Generation	Others	Unallocable	Total	Power Generation	Others	Unallocable	Total
Revenue								
External revenue	3,287	5,882	-	9,169	-	1,201	-	1,201
Total revenue	3,287	5,882	-	9,169	-	1,201	-	1,201
Result								
Segment result	1,622	562	-	2,184	-	1,201	-	1,201
Corporate income (Net of corporate expenses)	-	-	(696)	(696)	-	-	35,186	35,186
Interest income (Net of interest and finance charges)	-	-	4,626	4,626	-	-	14,951	14,951
Profit before taxation	1,622	562	3,930	6,114	-	1,201	50,137	51,338
Taxes	-	-	466	466	-	-	(55)	(55)
Profit after tax	1,622	562	3,464	5,648	-	1,201	50,192	51,393
Other Information								
Segment assets	46,295	12	2,027,290	2,073,597	9,260	192	1,865,308	1,874,760
Segment liabilities	26,166	5,713	359,021	390,900	-	-	192,241	192,241
Capital expenditure	32,306	-	316	32,622	-	-	241	241
Depreciation	1,171	-	430	1,601	-	-	314	314
Non cash expenses other than depreciation	-	-	4,845	4,845	901	-	3,450	4,351

15) 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)

Notes to the abridged financial statements for the year ended March 31, 2014

11. Reliance Coal Resources Private Limited (RCRPL)
12. Erstwhile Maharashtra Energy Generation Infrastructure Limited (Erstwhile MEGIL)
13. Amulin Hydro Power Private Limited (AHPPL)
14. Emini Hydro Power Private Limited (EHPPL)
15. Mihundon Hydro Power Private Limited (MHPPL)
16. Jharkhand Integrated Power Limited (JIPL)
17. Reliance CleanGen Limited (RCGL)
18. Rajasthan Sun Technique Energy Private Limited (RSTEPL)
19. Erstwhile Reliance Clean Energy Private Limited (Erstwhile RCEPL) (Refer note 7)
20. Dhursar Solar Power Private Limited (formerly known as Dahanu Solar Power Private Limited) (DSPPL)
21. Moher Power Limited (formerly known as Bharuch Power Limited) (MPL)
22. Samalkot Power Limited (SMPL)
23. Reliance Prima Limited (RPrima)
24. Atos Trading Private Limited (ATPL)
25. Atos Mercantile Private Limited (AMPL)
26. Coastal Andhra Power Infrastructure Limited (CAPIL)
27. Reliance Power Netherlands BV (RPN)
28. PT Heramba Coal Resources (PTH)
29. PT Avaneesh Coal Resources (PTA)
30. Reliance Natural Resources Limited (RNRL)
31. Erstwhile Reliance Fuel Resources Limited (Erstwhile RFRL)
32. Reliance Natural Resources (Singapore) Pte Limited (RNRL- Singapore)
33. Reliance Solar Resources Power Private Limited (RSRPPL)
34. Erstwhile Reliance Clean Power Private Limited (RCPPPL) (Refer note 9)
35. Reliance Wind Power Private Limited (RWPPL)
36. Reliance Green Power Private Limited (RGPPL)
37. PT Sumukha Coal Services (PTS)
38. PT Brayan Bintang Tiga Energi (BBE)
39. PT Sriwijaya Bintang Tiga Energi (SBE)
40. Shangling Hydro Power Private Limited (SPPL)
41. Sumte Kothang Hydro Power Private Limited (SKPL)
42. Teling Hydro Power Private Limited (TPPL)
43. Lara Sumta Hydro Power Private Limited (LHPPL)
44. Purthi Hydro Power Private Limited (PHPPL)

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

Companies

Reliance Infrastructure Limited (R Infra)

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

Individual

Shri Anil D Ambani

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

- (i) Key Management Personnel:
 1. Shri J P Chalasani (Chief Executive Officer) (upto October 31, 2013)
 2. Shri Ramaswami Kalidas (Manager)
- (ii) Enterprises over which individual described in clause B (I) above have control:
 1. Reliance Infocomm Infrastructure Private Limited (RIIPL)
 2. Reliance General Insurance Company Limited (RGICL)
 3. Reliance Communication Infrastructure Limited (RCIL)
 4. Reliance Capital Limited (RCL)
 5. Reliance Communication Limited (RCom)

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

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

	Rupees in lakhs	
	2013-2014	2012-2013
(i) Transactions during the year:		
Operating income		
Fuel handling and service charges		
- R Infra	31	171
Sale of Energy (including infirm power)		
- R Infra	3,905	-
Sale of Coal		
- VIPL	5,321	-
Interest on debentures		
- R Infra	127	-
Interest on advance for proposed debentures		
- R Infra	112	612
Dividend income on preference shares		
- RNRL - Singapore	-	748
Reimbursement of expenses incurred on our behalf		
- R Infra	3	27
Reimbursement of Interest expense		
- RPSCL (Refer note 23)	5,501	-
Professional charges received / (paid) towards support/ shared services (including applicable taxes)		
- CAPL	-	56
- JIPL	112	112
- KPPL	22	22
- RPSCL	112	112
- SHPPL	22	22
- SPL	112	112
- THPPL	22	22
- USHPPL	22	22
- VIPL	56	56
- RSTEPL	56	28
- DSPPL	56	28
- Erstwhile RCPPL	-	562
Professional charges paid towards support service		
- RCGL	(1)	-
Reimbursement of expenses/taxes/advances paid to subsidiaries		
- AHPPL	4	6
- AMPL	4	91
- ATPL	@	77
- MPL	-	@
- CAPIL	823	789
- CAPL	2	276
- CPPL	86	81
- DSPPL	5	70
- EHPPL	2	2
- JIPL	922	934
- KPPL	8	50

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Notes to the abridged financial statements for the year ended March 31, 2014

	Rupees in lakhs	
	2013-2014	2012-2013
- Erstwhile MEGIL	-	@
- MEGL	1	1
- RCRPL	80	159
- RNRL	937	728
- RCGL	-	1,546
- RPrima	4	76
- RPSCL	85	4,703
- RSTEPL	136	295
- SHPPL	11	22
- SMPPL	77	377
- SPL	493	3,747
- THPPL	20	54
- USHPPL	-	3
- VIPL	5,216	346
- Erstwhile RCPPL	-	2,164
- LHPPL	-	1
- PHPPL	-	1
- SKPL	-	1
- SPPL	-	1
- TPPL	-	1
- Erstwhile RCEPL (Refer note 7 above)	-	5
- RGPPL	32	8
Inter corporate deposit received from subsidiaries		
- JIPL	12,350	10,000
- CAPL	235	-
- CPPL	-	758
- DSPPL	8,290	-
- MEGL	-	139
- RPSCL	192,440	221,400
- RCGL	41,149	-
- SPL	-	6,700
- SHPPL	-	939
- THPPL	-	1,737
- VIPL	-	24,495
@ Amount is below the rounding off norm adopted by the Company		
Refund of inter corporate deposit received from subsidiaries		
- CPPL	281	-
- DSPPL	440	-
- JIPL	14,300	3,400
- RPSCL	31,927	193,924
- RCGL	41,148	-
- MEGL	1	-
- SHPPL	135	804
- SPL	-	6,700
- THPPL	-	1,737
- VIPL	11,470	13,025
Inter corporate deposit given to subsidiaries		
- CAPL	284	-
- RSTEPL	3,100	-
- RCRPL	9,300	-
- MEGL	-	5
- DSPPL	80	6,975
- RCGL	11,800	68,100
- VIPL	29,160	-

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Notes to the abridged financial statements for the year ended March 31, 2014

	Rupees in lakhs	
	2013-2014	2012-2013
Refund of inter corporate deposit given to subsidiaries		
- CAPL	284	-
- CAPIL	-	1,350
- DSPPL	2,018	5,037
- MEGL	-	5
- Erstwhile MEGIL	-	2,586
- RCGL	2,000	66,100
- RPSCL	-	8,537
- RSTEPL	3,100	-
- VIPL	14,060	-
Advance received		
- RPSCL (towards sale of investment)	-	42,424
- VIPL (towards supply of coal)	11,300	-
Advance received towards issue of non convertible redeemable debentures		
- R Infra (through CPPL)	-	120,000
Insurance charges		
- RGICL	195	29
Rent / support services / others		
- RIIPPL	227	308
- RCL	-	1
Investment in subsidiaries		
Equity Shares*		
- CAPL	-	100
*Excludes disclosure of allotment of equity shares out of share application money given which has been separately disclosed.		
Purchase of shares (Refer note 3.11.1 and 3.11.2)		
- RPSCL (Equity shares of Erstwhile RCPPL)	2,563	-
- RPSCL (7.5% Preference shares of Erstwhile RCPPL)	2,514	-
- RCGL (Equity shares of Erstwhile RCPPL)	2,568	-
- RCGL (7.5% Preference shares of Erstwhile RCPPL)	2,616	-
Sale of shares (Refer note 3.11.1 and 3.11.2)		
- RPSCL (7.5% Preference shares of VIPL)	1,428	38,774
- Erstwhile MEGIL (7.5% Preference shares of THPPL)	-	733
- Erstwhile MEGIL (7.5% Preference shares of SHPPL)	-	680
- Erstwhile RFRL (7.5% Preference shares of KPPL)	-	10,000
- Erstwhile RFRL (7.5% Preference shares of SHPPL)	-	1,900
- VIPL (Equity shares of Erstwhile RFRL)	-	100
- RPSCL (Equity shares of VIPL)	-	3,650
- DSPPL (Equity shares of Erstwhile MEGIL)	-	50
- RPSCL (7.5% Preference shares of SHPPL)(Refer note 15 C (iii) (d))	3,648	-
Redemption of preference shares		
- CAPL (7.5% Preference shares)	-	98,500
Investment in debentures		
- CAPL	-	100,000
Share application money given		
- AHPPL	48	68
- AMPL	53	271

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

	Rupees in lakhs	
	2013-2014	2012-2013
- ATPL	-	188
- CAPL	-	860
- CAPIL	1,055	1,257
- EHPPL	25	29
- JIPL	@	-
- KPPL	508	652
- LHPPL	14	1,065
- MHPPL	2	2
- CPPL	-	599
- PHPPL	-	3,019
- Erstwhile RCEPL (Refer note 7 above)	-	60,000
- RCGL	770	41,444
- RCRPL	4,045	5,112
@ Amount is below the rounding off norm adopted by the Company		
- RPrima	23	261
- RPSCL	2,180	2,000
- RSTEPL	16,320	16,717
- SHPPL	380	-
- SKPL	-	1,320
- SPL	111,735	204,181
- SPPL	1	455
- THPPL	953	112
- TPPL	11	958
- USHPPL	37	49
- VIPL	21,200	48,320
Share application money refunded		
- CPPL	-	599
- CAPIL	-	991
- CAPL	-	90,120
- MEGL	-	766
- RCGL	14,648	-
Sitting fees		
- Shri Anil D Ambani	1	1
Remuneration to key management personnel		
- Shri J P Chalasani	202	327
- Shri Ramaswami Kalidas	47	49
Contingent Liabilities		
Counter guarantee/Bank guarantees issued		
- VIPL	868	-
- CAPIL	79	-
- SPL	-	966
- RGPPL	940	3,000
- SMPPL	-	1,367
- THPPL	-	1
- RPN	20,439	-
(ii) Closing Balance :		
Investment in subsidiaries		
Equity shares		
- AHPPL	3,833	3,833
- AMPL	31	31
- ATPL	401	401
- CAPIL	1,534	1,534

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

	Rupees in lakhs	
	2013-2014	2012-2013
- CAPL	5,100	5,100
- CPPL	1	1
- DSPPL	8,941	8,941
- EHPPL	3,547	3,547
- JIPL	1,004	5
- KPPL	2,236	2,236
- MEGL	8	8
- MHPPL	2,404	2,404
- RCRPL	20,894	16,849
- RNRL - Singapore	42	42
- RNRL	5	5
- RCGL	115,004	115,004
- RPrima	5	5
- RPSCL	116,740	114,740
- RSTEPL	28,465	22,001
- SHPPL	2,491	2,491
- SPL	337,392	281,772
- THPPL	114	114
- USHPPL	81	1
- VIPL	10,223	8,101
- 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
Preference shares		
- AHPPL	116	68
- AMPL	323	-
- ATPL	188	-
- CPPL	5,380	5,380
- CAPIL	1,320	-
- JIPL	17,784	17,784
- RNRL - Singapore	165,214	149,516
- RPSCL	29,863	27,683
- SHPPL	380	8,446
- SPL	337,888	281,773
- THPPL	953	-
- KPPL	1,260	752
- MEGL	1,345	1,345
- DSPPL	8,940	8,940
- RCGL	129,000	129,000
- RPrima	284	-
- EHPPL	54	29
- LHPPL	1,079	1,065
- MHPPL	4	2
- PHPPL	3,019	3,019
- RSTEPL	28,563	3,607
- SPPL	456	455
- SKPL	1,320	1,320
- TPPL	969	958
- USHPPL	1,624	-
- VIPL	86,073	68,424
Debentures		
- CAPL	100,000	100,000

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

	Rupees in lakhs	
	2013-2014	2012-2013
Loans and advances*		
- AMPL	-	271
- ATPL	-	188
- CAPIL	@	266
- CAPL	-	100
- CPPL	127,158	127,168
- DSPPL	14	1,938
- JIPL	28	999
- KPPL	6	-
- RCGL	11,800	-
- RCRPL	9,336	-
- RNRL	3,104	2,123
- RPrima	-	261
- RPSCL	-	2,000
- RSTEPL	14	15,190
- SHPPL	6	-
- SMPL	31	1
- SPL	28	22
- THPPL	6	-
- USHPPL	6	1,667
- VIPL	20,157	-
- RCGL	-	15,876
Short term borrowings		
- R Infra	-	120,000
Unsecured loan – Inter corporate deposit		
- JIPL	4,650	6,600
- MEGL	138	139
- RPSCL	187,990	27,476
- SHPPL	-	135
- VIPL	-	11,470
- CPPL	477	758
- DSPPL	7,850	-
- CAPL	235	-
@ Amount is below the rounding off norm adopted by the Company		
*Includes Inter corporate deposits, share application money and other receivables.		
Non Convertible Debenture		
- R Infra	110,000	-
Other current liabilities		
- R Infra	114	679
- VIPL	5,713	-
Trade payables		
- RIIPPL	838	631
Trade receivables		
- R Infra	473	192
Other current assets		
- RNRL – Singapore	826	748
Contingent Liabilities (closing balances)		
Counter guarantees / Bank guarantees issued		
- SPL	51,181	57,273

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

	Rupees in lakhs	
	2013-2014	2012-2013
- CAPL	47,060	47,060
- JIPL	80,821	80,821
- VIPL	9,424	8,559
- CAPIL	142	65
- ATPL	5	3
- CPPL	11,508	11,508
- RSTEPL	11,471	11,471
- RPN (USD 34 Million (Previous year USD 15 Million))	20,439	8,157
- SMPL	67	12,367
- THPPL	71	71
- RGPPL	3,940	3,000

(iii) Other transactions:

- a) As per the terms of sponsor support agreement entered for the purpose of security of term loan availed by subsidiaries, the Company is required to pledge following percentage of its shareholding in the respective subsidiaries.
- i) 100% of equity shares of Sasan Power Limited.
 - ii) 100% of equity shares of Dhursar Solar Power Private Limited.
 - iii) 100% of equity shares of Rajasthan Sun Technique Energy Private Limited.
 - iv) 100% of preference shares of Sasan Power Limited.
 - v) 100% of preference shares of Dhursar Solar Power Private Limited.
 - vi) 100% of preference shares of Rajasthan Sun Technique Energy Private Limited.
- b) The Company has given equity support undertaking/financial support undertaking towards cost overrun to financial institutions/banks for rupee/foreign currency loans taken by Rosa Power Supply Company Limited, Sasan Power Limited, Vidarbha Industries Power Limited, Samalkot Power Limited, Dhursar Solar Power Private Limited and Rajasthan Sun Technique Energy Private Limited.
- c) During the year, Reliance Clean Power Private Limited has been amalgamated with the Company, pursuant to the scheme of amalgamation approved by the Hon'ble High Court of Bombay. (Refer note 9 above for transactions pursuant to the scheme).
- d) During the year, Company has sold (at estimated fair value) 892,000 7.5% 15 years Non Cumulative Non Convertible Redeemable Preference Shares (NCRPS) issued by one wholly owned subsidiary to another wholly owned subsidiary. The Preference Shares have been sold for Rs. 3,648 Lakhs and the resultant loss of Rs. 4,798 lakhs on sale of Investment has been charged off to the Statement of Profit and loss account. This loss has no impact on the consolidated accounts of the Company.

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

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

Name of Subsidiaries	Rupees in lakhs			
	Amount outstanding*		Maximum amount outstanding during the year	
	As at March 31, 2014	March 31, 2013	2013-2014	2012-2013
Amulin Hydro Power Private Limited	-	-	48	69
Atos Mercantile Private Limited	-	271	323	353
Atos Trading Private Limited	-	188	188	242
Moher Power Limited	-	-	-	52
Chitrangi Power Private Limited	127,158	127,168	127,439	127,770
Coastal Andhra Power Infrastructure Limited	@	266	1,305	2,899
Coastal Andhra Power Limited	-	100	629	110,354
Dhursar Solar Power Private Limited	14	1,938	2,018	4,050
Emini Hydro Power Private Limited	-	-	25	29
Jharkhand Integrated Power Limited	28	999	7,643	1,670
Kalai Power Private Limited	6	-	508	753

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

Name of Subsidiaries	Rupees in lakhs			
	Amount outstanding*		Maximum amount outstanding	
	As at		during the year	
	March 31, 2014	March 31, 2013	2013-2014	2012-2013
Erstwhile Maharashtra Energy Generation Infrastructure Limited	-	-	-	2,586
Maharashtra Energy Generation Limited	-	-	1	767
Mihundon Hydro Power Private Limited	-	-	2	3
Rajasthan Sun Technique Energy Private Limited	14	15,190	30,146	15,197
Reliance CleanGen Limited	11,800	15,876	21,762	190,832
Reliance Coal Resources Private Limited	9,336	-	13,381	16,849
Reliance Natural Resources Limited	3,104	2,123	3,104	2,123
Reliance Prima Limited	-	261	284	261
Reliance Wind Power Private Limited	-	-	-	1,022
Rosa Power Supply Company Limited	-	2,000	2,502	102,702
Samalkot Power Limited	31	1	42	6,818
Sasan Power Limited	28	22	111,757	187,977
Siyom Hydro Power Private Limited	6	-	515	2
Tato Hydro Power Private Limited	6	-	959	478
Urthing Sobla Hydro Power Private Limited	6	1,667	3,247	1,672
Vidarbha Industries Power Limited	20,157	-	55,680	84,678
Lara Sumta Hydro Power Private Limited	-	-	14	1,066
Purthi Hydro Power Private Limited	-	-	-	3,026
Sumte Kothang Hydro Power Private Limited	-	-	-	1,326
Shangling Hydro Power Private Limited	-	-	1	457
Teling Hydro Power Private Limited	-	-	11	963
Erstwhile Reliance Clean Power Private Limited	-	-	-	2,423
Erstwhile Reliance Clean Energy Private Limited	-	-	-	45,005
Reliance Green Power Private Limited	-	-	22	17

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

*Including share application money and inter corporate deposits

As at the year-end, the Company;

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

17) Earnings per share:

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Profit available to equity shareholders		
Profit after tax (A) (Rupees in lakhs)	5,648	51,393
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	2,805,126,466	2,805,126,466
Basic and diluted earnings per share (A / B) (Rs.)	0.20	1.83
Nominal value of an equity share (Rs.)	10.00	10.00

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

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	USD	Rupees in lakhs	USD	Rupees in lakhs
Amount receivable in foreign currency:				
Investment in preference shares	274,900,000	165,214	274,900,000	149,516
Dividend receivable on preference shares	1,374,500	826	1,374,500	748
Remittance in transit	-	-	1,374,500	748
Borrowings	22,967,500	13,803	-	-

Reliance Power Limited

Notes to the abridged financial statements for the year ended March 31, 2014

19) Earnings in foreign currency:

Particulars	Rupees in lakhs	
	Year ended March 31, 2014	Year ended March 31, 2013
Dividend on preference shares	-	748
Sale of assets	-	672

20) 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.

21) Exchange Difference on Long Term Monetary Items

In respect of exchange difference arising on long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standard) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by Ministry of Corporate Affairs. Accordingly, the Company has accumulated a gain of Rs. 29,409 lakhs (Previous year Rs. 20,999 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 Rs. 1,115 lakhs towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

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

23) RPSCL, a wholly owned subsidiary, has obtained term loan from bank for investing in infrastructure projects undertaken/to be undertaken by the Company, either directly or through special purpose vehicles. Accordingly, the proceeds of the loan have, at the request of the Company, been invested by RPSCL in equity and preference shares of subsidiaries of the Company. Based on the Memorandum of Understanding, the Company has agreed to reimburse the interest cost amounting to Rs. 5,501 lakhs on the aforesaid term loan.

24) 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: 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

Place : Mumbai
Date : May 19, 2014

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

C. D. Lala
Partner
Membership No. 35671

Place : Mumbai
Date : May 19, 2014

For and on behalf of the Board of Directors

Anil D. Ambani Chairman

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

Ramaswami Kalidas Company Secretary and Manager

Place : Mumbai
Date : May 19, 2014

Independent Auditors' Report on the Abridged Consolidated Financial Statements

To the Board of Directors of Reliance Power Limited

Report on the abridged consolidated financial statements

1. The accompanying abridged consolidated financial statements of Reliance Power Limited and its subsidiaries and its jointly controlled operations; hereinafter referred to as the "Group" (refer Note 3(b)(II) to the attached abridged consolidated financial statements), comprise the abridged consolidated Balance Sheet as at March 31, 2014, the abridged consolidated Statement of Profit and Loss and abridged consolidated Cash Flow Statement related for the year then ended together with the related notes, which we have signed under reference to this report.
2. These abridged consolidated financial statements are derived from the consolidated audited financial statements of the Company for the year ended March 31, 2014 prepared by the Company's Management in accordance with the accounting principles generally accepted in India, covered by our attached report of even date to the Board of Directors of the Company, in which we have expressed an unmodified audit opinion.
3. The abridged consolidated financial statements do not contain all the disclosures required by Accounting Standard ("AS") 21 - 'Consolidated Financial Statements' and AS 27 - 'Financial Reporting of Interests in Joint Ventures' notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, applied in the preparation of the audited consolidated financial statements of the Company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Company.

Management's Responsibility for the Abridged Consolidated Financial Statements

4. The Company's Management is responsible for the preparation of the abridged consolidated financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 (the "Rules") read with the amendments thereto and based on the audited financial statements for the year ended March 31, 2014. The Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged consolidated financial statements that are consistent with the audited consolidated financial statements and are

free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.

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

Auditors' Responsibility

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

Opinion

7. In our opinion, the accompanying abridged consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of the Company as at and for the year ended March 31, 2014 prepared in accordance with the requirements of Accounting Standard ("AS") 21 - 'Consolidated Financial Statements' and AS 27 - 'Financial Reporting of Interests in Joint Ventures', and covered by our attached report of even date to the Board of Directors of the Company, in accordance with the Rules.

Emphasis of Matter

8. We draw attention to Note 13 to the accompanying notes to the abridged consolidated financial statements for the year ended and as on March 31, 2014, regarding continued uncertainty as to the availability of the natural gas supply and as such the accompanying financial statements do not include any adjustments that might result from the outcome of the said uncertainty on commissioning of Samalkot Power Limited's plant. Our opinion is not qualified in respect of this matter.

For Price Waterhouse

Firm Regn. No: 301112E
Chartered Accountants

Partha Ghosh

Partner
Membership No. 55913

Place: Mumbai
Date: May 19, 2014

For Chaturvedi & Shah

Firm Regn. No: 101720W
Chartered Accountants

C. D. Lala

Partner
Membership No. 35671

Place: Mumbai
Date: May 19, 2014

Reliance Power Limited

Independent Auditors' Report on the Consolidated Financial Statement

To the Board of Directors of Reliance Power Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Reliance Power Limited ("the Company") and its subsidiaries and, its jointly controlled operations; hereinafter referred to as the "Group" (refer Note 2(II) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
7. Based on our audit and on consideration of reports of other auditors and one of the joint auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 and 10 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note 13 to the accompanying notes to the consolidated financial statements for the year ended and as on March 31, 2014, regarding continued uncertainty as to the availability of the natural gas supply and as such the accompanying financial statements do not include any adjustments that might result from the outcome of the said uncertainty on commissioning of Samalkot Power Limited's plant. Our opinion is not qualified in respect of this matter.

Other Matters

9. The financial statements and other financial information of eleven subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 314,960 lakhs and net assets of Rs. 298,852 lakhs as at March 31,

Independent Auditors' Report on the Consolidated Financial Statement

2014, total revenue of Rs. 3 lakhs, net loss of Rs. 1,309 lakhs and net cash outflows amounting to Rs. 101 lakhs for the year then ended have been audited by Chaturvedi & Shah on whose report Price Waterhouse has placed reliance for the purpose of this report.

10. We did not audit the financial statements and other financial information of twenty three subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 249,517 lakhs and net assets of Rs. 237,871 lakhs as at March 31, 2014, total revenue of Rs. 18,454 lakhs, net profit of Rs. 8,189 lakhs and net cash inflows amounting to Rs. 154,165 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose

reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Price Waterhouse

Firm Regn. No: 301112E
Chartered Accountants

Partha Ghosh

Partner
Membership No. 55913

Place: Mumbai

Date: May 19, 2014

For Chaturvedi & Shah

Firm Regn. No: 101720W
Chartered Accountants

C. D. Lala

Partner
Membership No. 35671

Place: Mumbai

Date: May 19, 2014

Reliance Power Limited

Abridged Consolidated Balance Sheet as at March 31, 2014 (Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

Particulars	As at March 31, 2014 Rupees in lakhs	As at March 31, 2013 Rupees in lakhs
I Equity and Liabilities		
(1) Shareholders' Funds		
(a) Paid-up share capital - equity	279,663	280,513
(b) Reserves and surplus		
(i) Capital reserves	8,337	8,337
(ii) Securities premium account	1,091,741	1,104,823
(iii) General reserve	107,230	107,230
(iv) Debenture redemption reserve	4,539	-
(v) General reserve (arisen pursuant to composite scheme of arrangement)	111,957	111,957
(vi) Surplus in the Statement of Profit and Loss	343,376	245,248
	<u>1,946,843</u>	<u>1,858,108</u>
(2) Minority Interest	150	150
(3) Non-current liabilities		
(a) Long-term borrowings	2,625,351	2,418,603
(b) Deferred Tax Liabilities	-	697
(c) Other Long-term liabilities	279,094	289,663
(d) Long-term provisions	6,428	5,487
	<u>2,910,873</u>	<u>2,714,450</u>
(4) Current liabilities		
(a) Short-term borrowings	146,054	253,732
(b) Trade payables	27,517	23,623
(c) Other current liabilities	528,660	312,031
(d) Short-term provisions	41,997	31,292
	<u>744,228</u>	<u>620,678</u>
Total of (1) to (4)	<u>5,602,094</u>	<u>5,193,386</u>
II Assets		
(5) Non-current assets		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	1,377,445	892,699
(ii) Intangible assets (Original cost less depreciation/amortisation)	6,443	4,918
(iii) Capital work-in-progress	3,225,477	3,029,873
(iv) Intangible assets under development	-	1,167
(b) Non-current investments (Unquoted)	@	@
(c) Long-term loans and advances	335,258	357,655
(d) Other non-current assets	21,877	23,667
	<u>4,966,500</u>	<u>4,309,979</u>
(6) Current assets		
(a) Current Investments		
(i) Quoted [Market value Rs. Nil (Previous year: Rs. 560 lakhs)]	-	500
(ii) Unquoted	14,138	3,510
(b) Inventories	62,277	53,555
(c) Trade receivables	107,976	132,990
(d) Cash and bank balances	264,112	483,531
(e) Short-term loans and advances	160,583	180,365
(f) Other current assets	26,508	28,956
	<u>635,594</u>	<u>883,407</u>
Total of (5) to (6)	<u>5,602,094</u>	<u>5,193,386</u>

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

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

Note : Complete Balance Sheet, Statement of Profit and Loss, Other Statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website at www.reliancepower.co.in
Compiled from the Audited consolidated financial statements of the Company referred to in our report dated May 19, 2014.

As per our attached report of even date

For Price Waterhouse

Firm Registration No: 301112E
Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

C. D. Lala

Partner

Membership No. 35671

For and on behalf of the Board of Directors

Anil D. Ambani

Chairman

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

} Directors

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Reliance Power Limited

Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2014 (Statement containing salient features of Statement of Profit and Loss as per section 219(1)(b)(iv)) of the Companies Act, 1956)

Particulars	Year ended March 31, 2014 Rupees in lakhs	Year ended March 31, 2013 Rupees in lakhs
Income		
Revenue from operations:		
Sale of energy	511,188	492,488
Other Operating revenues		
- Fuel handling and service charges	31	171
- Interest from customer on delayed payments	6,256	-
Net revenue from operations	517,475	492,659
Other income:		
Dividend	1,317	1,275
Interest income	19,959	20,705
Net gain on sale / accrual of income on investments	144	842
Gain on sale of fixed assets	-	390
Gain on foreign exchange fluctuations (net)	11,988	11,998
Provision written back	3,450	-
Other non-operating income	258	508
Other income	37,116	35,718
Total Income	554,591	528,377
Expenses:		
Purchase of energy	22,647	38,517
Cost of fuel consumed	277,406	256,207
Operating expenditure	1,780	702
Employee benefits expense	7,791	8,034
Finance cost	68,440	58,533
Depreciation and amortization expenses	36,387	28,513
Generation, administration and other expenses	16,259	17,910
Total Expenditure	430,710	408,416
Profit before taxation	123,881	119,961
Provision for taxation		
Current tax	21,921	18,188
Deferred tax	(697)	697
Excess provision of earlier years written back	(10)	(70)
Profit after tax and before Minority interest	102,667	101,146
Minority interest	-	-
Profit for the year	102,667	101,146
Earnings per equity share: (Face value of Rs. 10 each)		
Basic and Diluted (Rupees)	3.66	3.61

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

Compiled from the Audited consolidated financial statements of the Company referred to in our report dated May 19, 2014.

As per our attached report of even date

For Price Waterhouse

Firm Registration No: 301112E
Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

C. D. Lala

Partner

Membership No. 35671

For and on behalf of the Board of Directors

Anil D. Ambani

Chairman

**J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi
D. J. Kakalia**

} Directors

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Reliance Power Limited

Abridged Consolidated Cash Flow Statement for the year ended March 31, 2014

Particulars	Year ended March 31, 2014 Rupees in lakhs	Year ended March 31, 2013 Rupees in lakhs
Cash flows from operating activities	231,027	70,537
Cash flows used in Investment activities	(247,308)	(896,744)
Cash flows from / (used in) financing activities	(58,578)	1,007,560
Net increase / (decrease) in cash and cash equivalents	(74,859)	181,353
Opening Balance of cash and cash equivalents:		
- Balance in current account	227,994	91,976
- Balance in fixed deposit	80,200	17,347
- Remittances in transit / cheques in hand	748	18,266
Cash and cash equivalents acquired:		
- Cash and bank balance with ESOS Trust	69	-
Closing balance of cash and cash equivalents:		
- Balance in current account	21,727	227,994
- Balance in fixed deposit	228,592	80,200
- Remittances in transit / cheques in hand	-	748
- Effect of exchange differences on cash and cash equivalents in foreign currency	(16,167)	-

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

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

Compiled from the Audited consolidated financial statements of the Company referred to in our report dated May 19, 2014.

As per our attached report of even date

For Price Waterhouse

Firm Registration No: 301112E
Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

Place : Mumbai

Date : May 19, 2014

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

C. D. Lala

Partner

Membership No. 35671

Place : Mumbai

Date : May 19, 2014

For and on behalf of the Board of Directors

Anil D Ambani

Chairman

J. L. Bajaj

Dr. Yogendra Narain

Dr. V. K. Chaturvedi

D. J. Kakalia

} Directors

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai

Date : May 19, 2014

Notes to the abridged consolidated financial statements for the year ended March 31, 2014**1. General information**

Reliance Power Limited ("the Company") together with its subsidiaries ("Reliance Power Group") is primarily engaged in the business of generation of power. The projects under development include coal, gas, hydro, wind and solar based energy projects. The portfolio of Reliance Power group also includes three ultra mega power projects (UMPP) of 3,960 MW each.

2. The abridged consolidated financial statements have been prepared pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 as per notification F.No. 17/51/2012 – CL-V, dated May 31, 2012 and are based on the annual financial statements for the year ended March 31, 2014 approved by the Board of Directors at their meeting held on May 19, 2014.

3. (Note 2 of consolidated financial statements)**Significant accounting policies:****a) Basis of accounting**

The financial statements have been prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 ("the Act") and comply in material aspects with the accounting standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

b) Basis of consolidation:

- (I) The consolidated financial statements relate to Reliance Power Limited (the Parent Company) and its subsidiary companies and joint control operations (together referred to as "Group") which have been prepared in accordance with Accounting Standard 21 (AS-21) – "Consolidated Financial Statements" and Accounting Standard 27 (AS-27) – "Financial Reporting of Interests in Joint Ventures" as prescribed by Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:
- (i) The financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.
 - (ii) The consolidated financial statements include the interest of the Group in joint control operations. The joint control operations have been accounted for, using the proportionate consolidation method of accounting which reports the Group's share of assets, liabilities, income and expenses in the joint control operations after eliminating unrealised profits or losses on intra-group transactions.
 - (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries with respect to different accounting policies for like transactions and events in similar circumstances for the purpose of preparation of consolidated financial statements as far as possible.
 - (iv) In case of foreign subsidiaries, revenue is consolidated at an average exchange rate prevailing during the year. All monetary assets and liabilities are converted at the exchange rate prevailing at the end of the year and non-monetary assets and liabilities are recorded at the exchange rate prevailing on the date of the transaction. Any exchange difference arising on consolidation of integral foreign operation is recognised in the Statement of Profit and Loss.
 - (v) The excess of cost to the Parent Company of its investment in the subsidiary over the Parent Company's portion of equity of the subsidiary and the excess of cost of subsidiary over its investment in Joint Venture is recognised in the financial statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital reserve.
 - (vi) Minority's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet as a separate line item from liabilities and the shareholders' funds.
 - (vii) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended March 31, 2014.

Reliance Power Limited

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

(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, 2014	Proportion (%) of shareholding Year ended March 31, 2013
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	80
12	Amulin Hydro Power Private Limited (AHPPL)	India	100	100
13	Emini Hydro Power Private Limited (EHPPL)	India	100	100
14	Mihundon Hydro Power Private Limited (MHPPL)	India	100	100
15	Erstwhile Maharashtra Energy Generation Infrastructure Limited (Erstwhile MEGIL) (Refer note 9)	India	-	100
16	Reliance Coal Resources Private Limited (RCRPL)	India	100	100
17	Reliance CleanGen Limited (RCGL)	India	100	100
18	Rajasthan Sun Technique Energy Private Limited (RSTEPL)	India	100	100
19	Coastal Andhra Power Infrastructure Limited (CAPIL)	India	100	100
20	Reliance Prima Limited (RPrima)	India	100	100
21	Atos Trading Private Limited (ATPL)	India	100	100
22	Atos Mercantile Private Limited (AMPL)	India	100	100
23	Reliance Natural Resources Limited (RNRL)	India	100	100
24	Erstwhile Reliance Fuel Resources Limited (Erstwhile RFRL) (Refer note 8)	India	-	100
25	Dhursar Solar Power Private Limited (formerly known as Dahanu Solar Power Private Limited) (DSPPL)	India	100	100
26	Reliance Natural Resources (Singapore) Pte Limited (RNRL-Singapore)	Singapore	100	100
27	Purthi Hydro Power Private Limited (PHPPL)	India	100	100
28	Teling Hydro Power Private Limited (TPPL)	India	100	100
29	Shangling Hydro Power Private Limited (SPPL)	India	100	100

Reliance Power Limited

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

Sr. No.	Name of Company	Country of Incorporation	Proportion (%) of shareholding Year ended March 31, 2014	Proportion (%) of shareholding Year ended March 31, 2013
30	Lara Sumta Hydro Power Private Limited (LHPPL)	India	100	100
31	Sumte Kothang Hydro Power Private Limited (SKHPPL)	India	100	100
32	Erstwhile Reliance Clean Energy Private Limited (Erstwhile RCEPL) (Refer note 7)	India	-	100
33	Reliance Green Power Private Limited (RGPPL) (w.e.f. 11.08.2012)	India	100	100
34	Moher Power Limited (formerly known as Bharuch Power Limited) (MPL)	India	100	100
35	Samalkot Power Limited (SMPL)	India	100	100
36	Reliance Solar Resources Power Private Limited (RSRPPL)	India	100	100
37	Reliance Wind Power Private Limited (RWPPPL)	India	100	100
38	Erstwhile Reliance Clean Power Private Limited (Erstwhile RCPPL) (Refer note 6)	India	-	100
39	Reliance Power Netherlands BV (RPN)	Netherlands	100	100
40	PT Heramba Coal Resources (PTH)	Indonesia	100	100
41	PT Avaneesh Coal Resources (PTA)	Indonesia	100	100
42	PT Brayan Bintang Tiga Energi (BBE)	Indonesia	100	100
43	PT Sriwijaya Bintang Tiga Energi (SBE)	Indonesia	100	100
44	PT Sumukha Coal Services (PTS)	Indonesia	99.60	99.60

c) Use of estimates

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

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

- (i) The gross block of tangible assets are stated at cost (net of cenvat credit availed) of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use. All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to construction of project including carpet coal laid prior to commissioning, borrowing cost incurred prior to the date of commercial operation and trial run expenditure, coal mine development expenses and construction stores are shown under Capital work-in-progress. These expenses are net of recoveries, revenue earned from sale of energy (including infirm power) which is generated prior to commissioning and income (net of tax) from surplus funds arising out of project specific borrowings. The related expenditure is capitalised on achieving commercial operations and accordingly depreciated.
- (ii) SPL is setting up an "ultra mega power plant" which will be comprised of six units each capable of generating 660 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, the group has concluded that the entire power plant taken as a whole constitutes the unit of measurement and hence, under Accounting Standard – 10 "Accounting For Fixed Assets" as prescribed under Companies (Accounting Standards) Rules, 2006, will be capitalised on completion of power plant consisting of all six units. Also refer note 20 below.

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

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

- (iii) Any exchange difference arising on long term foreign currency monetary items on revaluation or settlement at the rate different from the one which were previously reported, in so far relates to depreciable capital assets are added to / deducted from cost of such assets. Also refer note 2 (m) below.
- (iv) Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses related to land in possession are treated as cost of land.
- (v) Construction stores have been valued at weighted average cost.

e) Mining assets (in case of SPL):

- (i) Overburden removal costs:

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

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

- (ii) Mine closure obligation:

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

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

- (iii) Mine development expenditure:

Expenditure incurred on development of coal mine is grouped under Capital work-in-progress till the coal mine is ready for its intended use. Once the mine is ready for its intended use, such mine development expenditure is capitalised and included in Mining properties under tangible assets. Mine development expenditure is amortised over the life of the mine on a unit of production basis.

f) Intangible assets:

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

g) Inventories

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

h) Depreciation / Amortisation:

- (i) Tangible assets:

- Tangible assets are depreciated under the straight line method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, read with the General Circular No. 31/2011 issued by the Ministry of Corporate Affairs dated May 31, 2011, as applicable.
- In the case of RPSCL, for thermal generating assets, i.e., plant and machinery block, depreciation has been charged at the rate of 3.8% p.a. as per the order dated May 24, 2011, issued by the Ministry of Corporate Affairs.

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

- Leasehold land is amortised over the lease period from the date of advance possession received or lease deed executed, whichever is earlier, except leasehold land for coal mining, which is amortised over the period of mining rights.
 - In the case of SPL, freehold land acquired for coal mining is amortised over the period of mining rights, considering the same cannot be put to any other purpose other than mining.
 - In the case of DSPPL and RSTEPL, also refer note 21.
- (ii) Intangible assets:
- Software expenses are amortised on a straight line basis over a period of three years.
 - 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 right to carry out mining activities.
 - In case of VIPL, cost incurred towards right to use of water pipeline is amortised over the period of twenty five years.

i) 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 and made for each investment individually. Current investments are valued at lower of cost and fair value.

j) Provisions and contingent liabilities:

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

k) Impairment of assets

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

l) Borrowing costs

Borrowing costs including costs that are ancillary and required as per the terms of agreement with lenders, that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

m) Foreign currency transaction:

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

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- An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment / settlement as defined under the respective agreement / memorandum of understanding.
- (iv) Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of transaction.
- (v) The premium or discount arising at the inception of 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 Statement of Profit and Loss 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 on an overall basis by marking them to market as per the announcement by Institute of Chartered Accountants of India. Net gain, if any, arising on such contracts is not recognised.

n) Revenue recognition:

- (i) In case of RPSCL, revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of power purchase agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL). In case where final tariff rates are yet to be approved / agreed, provisional tariff is adopted based on provisional tariff order issued by UPERC. Further, the revenue is also recognised towards truing up of fixed charges as per the petitions filed based on the principles enunciated in the PPA and UPERC regulations.
- (ii) In case of DSPPL, revenue from sale of energy is recognised on an accrual basis as per the tariff rate notified by Central Electricity Regulatory Commission (CERC) in accordance with the provisions of PPA with the customer.
- (iii) In case of SPL, revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved in accordance with the provisions of PPA entered into with the Procurers. The revenue accounted / accrued till the commissioning of power plant as a whole is accounted for as per the accounting policy as defined in note 2 (d) (ii) above.
- (iv) In case of 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 power purchase agreement (PPA) / sale arrangements read with the regulation of Maharashtra Electricity Regulatory Commission.
- (v) In case of VIPL, revenue from sale of energy is recognised on an accrual basis in accordance with the provisions of PPA / sale arrangements.
- (vi) The surcharge on late payment / overdue trade receivable for sale of energy is recognised when no significant uncertainty as to measurement or collectability exists.
- (vii) Income from fuel handling and service charges is recognised on the basis of services rendered as per the terms of contract.
- (viii) Revenue from sale of coal is recognised when significant risk and reward of ownership is transferred to the buyer as per the terms of contract.
- (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. Income on fixed maturity plan of mutual fund is recognised on an accrual basis based on the net asset value on the reporting date taking into consideration the principles of reasonable certainty.

o) Employee benefits:

- (i) Short-term employee benefits

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

Notes to the abridged consolidated financial statements for the year ended March 31, 2014**(ii) Defined contribution plans**

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

(iii) Defined benefit plans

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

p) Employee stock option scheme (ESOS)

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

q) Accounting for taxes on income

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

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

r) Accounting for oil and gas activity

The Group follows "Successful Efforts Method" for accounting of oil and gas exploration activities as set out by the Guidance Note issued by the Institute of Chartered Accountants of India on oil and natural gas producing activities. The cost of survey and prospecting activities conducted in search of oil and gas are expensed out in the year in which the same are incurred. 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

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

t) Commercial papers

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

u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as issue of bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

4. (a) Contingent liabilities:

- Counter guarantees / Bank guarantees aggregating to Rs. 236,129 lakhs (Previous year: Rs. 240,355 lakhs) issued primarily to power procurers / banks / financial institutions towards construction of power plant / finance raised by the respective subsidiary.
- Refer note 12 with respect to CAPL.
- In case of CAPL, Government of Andhra Pradesh has levied a penalty of Rs. 137 lakhs (Previous year: Rs.137 lakhs) at the rate of 50% on account of non-payment of conversion fee of Rs. 274 lakhs (Previous year: Rs. 274 lakhs) towards conversion of agriculture land to non-agricultural land at site. CAPL has filed an appeal with the Government of Andhra Pradesh (Revenue department) for waiver of the above amount.
- In case of SPL:
 - a) Claims not acknowledged as debts Rs. 51 lakhs (Previous year: Rs. 51 lakhs).
 - b) Demands aggregating to Rs. 233 Lakhs (Previous year: Rs. Nil) from authorities under the Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005 (MPGATSAV, 2005) and Indian Forest Act, 1927, the grounds / basis under which it has been levied to other parties as well, is under examination by Hon'ble Supreme Court of India.

(b) Capital commitments

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 4,813,933 lakhs (Previous year: Rs. 4,878,635 lakhs).

(c) Other commitments

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

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

The General reserve of Rs. 111,957 lakhs had arisen pursuant to the composite scheme of arrangement between the Parent Company, Reliance Natural Resources Limited, Erstwhile Reliance Futura Limited and four wholly owned subsidiaries viz. Atos Trading Private Limited, Atos Mercantile Private Limited, Reliance Prima Limited and Coastal Andhra Power Infrastructure Limited. The said scheme has been sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated October 15, 2010. The general reserve shall be a reserve which arose pursuant to the above scheme and shall not be and shall not for any purpose be considered to be a reserve created by the Parent Company.

6. Scheme of amalgamation between Parent Company and RCPPL

Reliance Clean Power Private Limited (RCPPL), a wholly owned subsidiary of the Parent Company, in business of development and operation of 45 MW wind power Project at Vashpet, was amalgamated into the Parent Company pursuant to the Scheme of Amalgamation (Scheme), as on and from April 1, 2012, being the appointed date pursuant to the approval of Board of Directors of the Parent Company and sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated May 9, 2014 which was filed with the Registrar of Companies on May 16, 2014.

The Parent Company has carried out the accounting treatment prescribed in the Scheme as approved by the Hon'ble High Court of Judicature at Bombay. The required disclosures for accounting of Scheme as per the "purchase method" as given under Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided.

Hence, in accordance with the Scheme:

- a) The Parent Company has taken over all the assets aggregating to Rs. 18,875 lakhs and liabilities aggregating to Rs. 8,617 lakhs of RCPPL, based on fair valuation performed by an independent valuer, for assets existing as on the appointed date. The net assets taken over as of April 1, 2012 include:

Assets / Liabilities taken over	Rupees in Lakhs
Assets:	
Fixed assets (Including Capital Work-in-progress)	11,082
Long-term loans and advances	7,756
Current assets	37
Total Assets	18,875

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

Assets / Liabilities taken over	Rupees in Lakhs
Liabilities:	
Long-term liabilities	1,079
Long-term provisions	10
Current liabilities	7,528
Total liabilities	8,617

The scheme is effective on May 16, 2014 with an appointed date of April 1, 2012. As the financial statements for previous year ended March 31, 2013 have been already approved by the shareholders of the Parent Company, the previous year balances have not been restated and all the relevant accounting entries with respect to the scheme have been accounted for on April 1, 2013 and consequently the surplus in the statement of profit and loss as on March 31, 2013 has been transferred to the opening reserve of the Parent Company.

- b) The entire issued, subscribed and paid up share capital of the RCPPL held and will be held by the Parent Company after the appointed date shall be cancelled. Accordingly, investments by the Parent Company in RCPPL amounting to Rs.10,261 lakhs have been cancelled.
- c) No consideration is payable or receivable on implementation of the Scheme as the Scheme involves a wholly owned subsidiary.
- d) The excess of fair valuation of assets over the liabilities after adjusting value of the investments in RCPPL by the Parent Company, amounting to Rs. 3 lakhs has been recognised as goodwill.

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

Further the security charge on the 45 MW wind power project at Vashpet towards borrowing would continue on the scheme being effective.

7. Scheme of amalgamation between Parent Company and RCEPL

Reliance Clean Energy Private Limited (RCEPL), a wholly owned subsidiary of the Parent Company, was amalgamated into the Parent Company pursuant to the Scheme of Amalgamation (Scheme), sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated April 5, 2013. The scheme was effective from January 1, 2013. As per the Scheme, the investment of Rs. 60,001 lakhs of the Parent Company in 6,010,000 equity shares of RCEPL had been cancelled and written off in the Statement of Profit and Loss of the Parent Company. The Parent Company has taken over all the assets aggregating to Rs. 60,000 lakhs and liabilities aggregating to Rs.5 lakhs at their respective book values, further an equivalent amount of Rs. 60,001 lakhs has been withdrawn from the general reserve and credited to the Statement of Profit and Loss in the previous year.

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

8. Scheme of amalgamation between VIPL and RFRL

Reliance Fuel Resources Limited (RFRL), a wholly owned subsidiary of VIPL, was amalgamated into VIPL, pursuant to the Scheme of Amalgamation and Arrangement (Scheme), sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 15, 2013. Consequently, investment of Rs. 12,000 lakhs in share capital of RFRL was written off in the Statement of Profit and Loss of VIPL in accordance with the Scheme, all assets and liabilities were transferred at their book value and net balance of capital reserve amounting to Rs.11,940 lakhs arising on transfer, was accounted for in the previous year.

Since the merger is between a subsidiary and step-down subsidiary of the Parent Company, there is no impact on the consolidated financial statements on account of the said merger as these transactions get eliminated in the consolidated financial statements.

9. Scheme of amalgamation between DSPPL and MEGIL

Maharashtra Energy Generation Infrastructure Limited (MEGIL), a wholly owned subsidiary of DSPPL, was amalgamated into DSPPL, pursuant to the Scheme of Amalgamation and Arrangement (Scheme), sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated April 12, 2013. Consequently, investment of Rs. 4,050 lakhs in share capital of MEGIL was written off in the Statement of Profit and Loss of DSPPL in accordance with the Scheme, all assets and liabilities were transferred at their book value and net balance of capital reserve amounting to Rs. 4,912 lakhs arising on transfer, was accounted for in the previous year.

Since the merger is between a subsidiary and step-down subsidiary of the Parent Company, there is no impact on the consolidated financial statements on account of the said merger as these transactions get eliminated in the consolidated financial statements.

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

10. Employee Stock Option Scheme (ESOS)

Pursuant to the approval accorded by the Shareholders on September 30, 2007 under Section 81(1A) of the Companies Act, 1956, the Parent Company has administered and implemented Employee Stock Option Scheme (ESOS) in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Guidelines). The Board of Directors of the Parent Company has constituted its ESOS compensation committee to operate and monitor the ESOS scheme which is administered through 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 Rs.10 each of the Parent Company at an exercise price of Rs.162 per share. The vesting period of options will commence on expiry of one year from the grant date and all the options granted shall vest immediately. The vested options can be exercised by the eligible employees over a period of nine years from the date of vesting.

The Group has opted for accounting the Compensation expenses under 'Intrinsic Value Method'. The closing market price on the date of grant was Rs.140.20 per share at National Stock Exchange (being the latest trading price with highest trading volume). As the exercise price of the share is more than market price, the Group has not accounted for any compensation cost.

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

Particulars	Option details	
Weighted average share price	Rs. 140.20	
Exercise price	Rs. 162.00	
Expected volatility	41.88%	
Vesting period	One year	
Exercise period	7.25 Years	
Risk free interest rate	7.74%	
Expected dividend	-	
Fair Value of option	Rs. 50.42	
	2013-14	2012-13
Opening balance of options	8,500,000	8,500,000
Options granted during the year	-	-
Vested during the year	-	-
Exercised during the year	-	-
Closing balance of options	8,500,000	8,500,000

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

The Parent Company had in earlier years given an advance of Rs 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 ESOS) Guidelines, 1999 and as per the recent opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India ('ICAI'), the Group has consolidated financial statement of RPET with the Group financial statement as at March 31, 2014. Accordingly, face value of equity shares (held by RPET) has been deducted from the paid up share capital and balance Rs. 13,082 lakhs (net of bank balance of RPET) has been grouped under the securities premium account, with a corresponding adjustment to "Advance to RPET". Consequently, provision of Rs. 3,450 lakhs towards diminution in value of advance, made in earlier years has been reversed during the year.

11. 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. The State of Uttar Pradesh in the year 2004 had acquired 2,100 acres of land and conveyed the same to the Parent Company in the year 2005. While the State was in the process of acquiring further 400 acres of land for the project, a few land owners had filed writ petitions before the Allahabad High Court challenging the acquisition process under the Land Acquisition Act, 1894 ("the Act"). The Allahabad High Court has disposed of the writ petitions upholding the Section 4 notification and directed compliance with certain procedures relating to land acquisition that were left out earlier by the State Government. The Parent Company has filed an appeal against the Allahabad High Court order which is now pending before the Supreme Court. Few land owners have also filed appeals / petitions before the Supreme Court challenging Allahabad High Court's order upholding the Section 4 notification and alleging highhanded and forceful actions during the acquisition process, which are pending.

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

- b) The construction and other allied activities at Dadri project will be commenced as soon as the gas supply is firm up and on settlement of land issues. During the year there is no change in the status of project.

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

CAPL has been set up to develop an UMPP of 3,960 MW located in Krishnapatnam, District Nellore, based on imported coal.

CAPL had entered into a firm price fuel supply agreement with RCRPL. In view of below mentioned regulation, RCRPL cannot supply coal at the already agreed price, because of which an element of uncertainty has arisen in the fuel supply for the CAPL project, 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 Rs. 40,000 Lakhs (including bank guarantee of Rs. 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 without prejudice to the proceedings pending before the Delhi High Court and the arbitration process already initiated. The Commission adjourned the Petition sine a die with permission to mention the matter after disposal of the appeal pending before the Division Bench of the Delhi High Court.

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

13. Project status of Samalkot Power Limited (SMPL)

SMPL is in the process of constructing a 2,262 MW (754 MW x 3) gas based power plant at Kakinada, which based on the current circumstances, has planned its construction work and consequential commercial operations thereafter progressively starting from 2015 - 2016, and it has incurred an aggregated cost of Rs. 823,353 lakhs as at March 31, 2014. SMPL has applied for allocation of gas and Ministry of Petroleum and Gas (MoPNG) is yet to allocate the gas linkage. Considering the gas availability in the country has dropped significantly and also based on gas availability projected scenarios in subsequent years, 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. 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.

14. Exchange differences on foreign currency monetary items

In respect of exchange rate difference arising on long term foreign currency monetary items, the Group has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the Group has adjusted exchange loss of Rs. 22,670 lakhs (Previous year loss of Rs.16,584 lakhs) to the cost of tangible assets and Rs.175,644 lakhs (Previous year loss of Rs. 58,740 lakhs) to capital work-in-progress, as the long term monetary items relate to depreciable capital asset. Pursuant to circular dated August 9, 2012 from the Ministry of Corporate Affairs, the Group has capitalised the exchange differences which earlier would have been considered as an interest cost under para 4(e) of Accounting Standard 16 on "Borrowing Costs".

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

15. 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, 2014	Year ended March 31, 2013
(a) Contribution to provident fund	667	591
(b) Contribution to employees' superannuation fund	53	71
(c) Contribution to employees' pension scheme 1995	100	98

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	
	2013-14	2012-13	2013-14	2012-13
Discount Rate (per annum)	8.90%	8.00%	8.00%	8.00%
Rate of increase in compensation levels	7.50%	7.50%	7.50%	7.50%
Rate of return on plan assets	8.25%	8.25%	-	-
Expected average remaining working lives of employees in years	3 to 17	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.

Particulars	Rupees in lakhs			
	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
(i) Changes in present value of obligation				
Opening balance of present value of obligation	1,125	704	1,121	698
Liability on transfer of employees (net)	14	-	-	1
Interest cost	108	76	116	84
Current service cost	274	231	428	351
Actuarial (gains) / loss	(46)	114	(446)	92
Benefits paid	(86)	-	(90)	(105)
Closing balance of present value of obligation	1,389	1,125	1,129	1,121
(ii) Changes in fair value of plan assets				
Opening balance of present value of plan assets	1,100	827	-	-
Assets on transfer of employees	10	-	-	-
Expected return on plan assets	92	68	-	-
Employer's contributions	97	198	90	105

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

Particulars	Rupees in lakhs			
	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Actuarial gains / (losses) on plan assets	(24)	15	-	-
Benefits paid	(86)	-	(90)	(105)
Amount not recognised as an asset (para 59 (b))	(7)	(8)	-	-
Closing balance of fair value of plan assets	1,182	1,100	-	-
(iii) Percentage of each category of plan assets to total fair value of plan assets				
Administered by Insurance companies of respective subsidiaries	100%	100%	-	-
(iv) Reconciliation of present value of defined benefit obligations and the fair value of assets				
Closing balance of present value of obligation	1,389	1,125	1,129	1,121
Closing balance of fair value of plan assets	1,182	1,100	-	-
Funded (asset)* / liability recognised in the Balance Sheet	130	(34)	-	-
Unfunded liability recognised in the Balance Sheet	77	59	1,129	1,121
(v) Amount recognised in the Balance Sheet				
Closing balance of present value of obligation	1,389	1,125	1,129	1,121
Closing balance of fair value of plan assets (including pending transfer)	1,182	1,100	-	-
Funded (asset)/ liability recognised in the Balance Sheet (Net)*	130	(34)	-	-
Unfunded liability recognised in the Balance Sheet*	77	59	1,129	1,121
(vi) Expenses recognised in the Statement of Profit and Loss / Capital work-in-progress				
Current service cost	274	231	428	351
Interest cost	108	76	116	84
Expected return on plan assets	(92)	(68)	-	-
Net actuarial (gain)/loss	(22)	99	(446)	92
Effects of limit as per para 59(b)	(2)	4	-	-
Total expenses recognised during the year	266	342	99	527
Excess provision written back	-	-	-	-
(vii) Actuarial (gain) / loss on obligation				
Net actuarial (gain) / loss due to experience	129	21	(103)	43
Net actuarial (gain) / loss due to change in assumption	(151)	78	(343)	49
(viii) Expected employers' contribution for the next year	104	224	-	-

* Reflected under short-term / long-term provisions Rs. Nil (Previous year: Rs. 105 lakhs) (Refer note 3.6 and 3.10)

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

Particulars	Rupees in lakhs				
	2013-14	2012-13	2011-12	2010-11	2009-10
Gratuity					
(a) Present value of the defined benefit obligation	1,389	1,125	704	518	305
Fair value of the plan assets	1,182	1,100	827	518	370
(Surplus)/Deficit in the plan	207	25	(123)	@	(65)
(b) Experience adjustments					
On plan liabilities	105	36	(48)	53	(14)
On plan assets	(24)	15	8	(8)	3
Total experience adjustments	129	21	(56)	61	(17)

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

Leave encashment

(a) Present value of the defined benefit obligation	1,129	1,121	698	507	322
Fair value of the plan assets	-	-	-	-	13
Deficit in the plan	1,129	1,121	698	507	309
(b) Experience Adjustments					
On plan liabilities	(103)	43	(234)	(33)	(56)
On plan assets	-	-	-	-	-
Total experience adjustments	(103)	43	(234)	(33)	(56)

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

16. Segment Reporting

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

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

Information about Business segments – Primary

Particulars	Rupees in Lakhs									
	Year ended March 31, 2014					Year ended March 31, 2013				
	Power Generation	Others	Unallocable	Eliminations	Total	Power Generation	Others	Unallocable	Eliminations	Total
Revenue										
External revenue	517,444	31	-	-	517,475	492,488	171	-	-	492,659
Inter segment revenue	-	5,851	-	(5,851)	-	-	1,030	-	(1,030)	-
Total revenue	517,444	5,882	-	(5,851)	517,475	492,488	1,201	-	(1,030)	492,659
Result										
Segment result	164,332	31	-	-	164,363	156,827	171	-	-	156,998
Corporate income (net of corporate expenses)	-	-	7,999	-	7,999	-	-	790	-	790
Interest and finance charges (net of interest income)	-	-	(48,481)	-	(48,481)	-	-	(37,827)	-	(37,827)
Profit before taxation	164,332	31	(40,482)	-	123,881	156,827	171	(37,037)	-	119,961
Taxes*	-	-	21,214	-	21,214	-	-	18,815	-	18,815
Profit after tax	164,332	31	(61,696)	-	102,667	156,827	171	(55,852)	-	101,146
Other information										
Segment assets	5,170,272	11	431,811	-	5,602,094	4,736,358	192	456,836	-	5,193,386
Segment liabilities	3,475,280	-	179,821	-	3,655,101	3,138,510	-	196,618	-	3,335,128
Capital expenditure (net)	739,610	-	3,660	-	743,270	1,127,727	-	6,443	-	1,134,170
Depreciation	35,641	-	746	-	36,387	27,848	-	665	-	28,513
Non cash expenses other than depreciation	63	-	10	-	73	908	-	3,451	-	4,359

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

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

17. Related party transactions:

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

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

Companies

Reliance Infrastructure Limited (R Infra)

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

Individual

Shri Anil D Ambani (Chairman)

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

(i) Key Management Personnel

Shri J P Chalasani (Chief Executive Officer) (upto October 31, 2013)

Shri Ramaswami Kalidas, Manager

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

Reliance General Insurance Company Limited (RGICL)

Reliance Infocomm Infrastructure Private Limited (RIIPL)

Reliance Communications Limited (R Com)

Reliance Communication Infrastructure Limited (RCIL)

Reliance Capital Limited (RCL)

Reliance Power Transmission Limited (RPTL)

Reliance Energy Trading Limited (RETL)

BSES Rajdhani Power Limited (BRPL)

BSES Yamuna Power Limited (BYPL)

C. Details of transactions and closing balances:

Particulars	Rupees in lakhs			
	Companies described in clause (A) above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
Transactions during the year:				
Remuneration to key management personnel				
- Shri J P Chalasani	-	-	202	202
	-	-	327	327
- Shri Ramaswami Kalidas	-	-	47	47
	-	-	49	49
Sitting Fees				
- Shri Anil D Ambani	-	-	1	1
	-	-	1	1
Operating income				
Fuel handling and service charges				
- R Infra	31	-	-	31
	171	-	-	171

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Particulars	Rupees in lakhs			
	Companies described in clause (A) above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
Capital advances given				
- R Infra	62,904	-	-	62,904
	75,840	-	-	75,840
- R Com	-	1	-	1
	-	-	-	-
Capital advances refunded				
- R Infra	331	-	-	331
	88,000	-	-	88,000
Interest on advance for proposed debentures				
- R Infra	112	-	-	112
	612	-	-	612
Advance received against proposed debentures				
- R Infra	-	-	-	-
	120,000	-	-	120,000
Professional fees, rent and reimbursement of expenses / taxes paid				
- R Infra	2,609	-	-	2,609
	2,786	-	-	2,786
- RCIL	-	-	-	-
	-	5	-	5
- RCL	-	-	-	-
	-	1	-	1
- RI IPL	-	1,311	-	1,311
	-	1,321	-	1,321
Reimbursement of expenses received				
- R Infra	878	-	-	878
	-	-	-	-
- BRPL	-	4	-	4
	-	-	-	-
- BYPL	-	3	-	3
	-	-	-	-
Material transferred				
- R Infra	389	-	-	389
	67	-	-	67
Purchase of energy				
- RETL	-	22,647	-	22,647
	-	38,517	-	38,517
Sale of energy, including infirm power (net of rebate)				
- R Infra	66,527	-	-	66,527
	61,132	-	-	61,132

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

Particulars	Rupees in lakhs			
	Companies described in clause (A) above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
- RETL	-	3,175	-	3,175
- BRPL	-	928	-	928
- BYPL	-	566	-	566
Open access charges paid/(reimbursed)				
- R Infra	-	-	-	-
- RETL	(107)	60	-	(107)
	-	365	-	365
Material and services received				
- R Infra	257,802	-	-	257,802
	585,159	-	-	585,159
- R Com	-	2	-	2
- RCIL	-	12	-	12
	-	-	-	-
Material/Services received under EPC contract reversed / liability written back				
- R Infra	-	-	-	-
	15,534	-	-	15,534
Miscellaneous income				
- RGICL	-	394	-	394
	-	-	-	-
Insurance premium				
- RGICL	-	3,667	-	3,667
	-	4,190	-	4,190
Short term borrowings received				
- R Infra	-	-	-	-
	1,385	-	-	1,385
- RCL	-	60,500	-	60,500
	-	-	-	-
Short term borrowings refund				
- RCL	-	60,500	-	60,500
	-	-	-	-
Interest paid				
- R Infra	266	-	-	266
	6	-	-	6
- RCL	-	402	-	402
	-	-	-	-

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

Particulars	Rupees in lakhs			
	Companies described in clause (A) above	Enterprise in which person described in clause (A) above has control	Person having control over the investing party/ Key Management Personnel	Total
Closing balances:				
Liabilities and provisions*				
- R Infra	186,525	-	-	186,525
	<i>137,338</i>	-	-	<i>137,338</i>
- RI IPL	-	2,092	-	2,092
	-	<i>1,242</i>	-	<i>1,242</i>
- R Com	-	381	-	381
	-	<i>382</i>	-	<i>382</i>
- RPTL	-	-	-	-
	-	<i>132</i>	-	<i>132</i>
- RCIL	-	3	-	3
	-	-	-	-
*Includes creditors for capital expenditure, supplies and services (Non-current and current)				
Trade payables				
- RETL	-	5,182	-	5,182
	-	<i>3,334</i>	-	<i>3,334</i>
Retention payable towards EPC contract				
- R Infra	149,342	-	-	149,342
	<i>173,116</i>	-	-	<i>173,116</i>
Capital advances				
- R Infra	217,214	-	-	217,214
	<i>239,032</i>	-	-	<i>239,032</i>
Trade and other receivables				
- R Infra	10,710	-	-	10,710
	<i>11,579</i>	-	-	<i>11,579</i>
- RGICL	-	@	-	@
	-	-	-	-
- RCL	-	23	-	23
	-	-	-	-
- BRPL	-	607	-	607
	-	-	-	-
- BYPL	-	368	-	368
	-	-	-	-
Non convertible debenture				
- R Infra	110,000	-	-	110,000
	-	-	-	-
Short term borrowings(Inter corporate deposit)				
- R Infra	1,385	-	-	1,385
	<i>121,385</i>	-	-	<i>121,385</i>

@ Amount is below the rounding off norm adopted by Group
Figures in italics are pertaining to previous year.

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Notes to the abridged consolidated financial statements for the year ended March 31, 2014

- R Infra has given additional equity support undertakings to power procurers in respect of Sasan Ultra Mega Power Project (UMPP), Krishnapatnam UMPP and Tilaiya UMPP of the Group for setting up the respective projects.
- SMPL has entered into an agreement for sharing of resources and assets with R Infra at the Samalkot location.
- Refer note 27 with regards to transaction of SMPL for proposed lease of land from R Infra.
- SMPL has during the year, accounted for Rs. 11,073 lakhs in capital Work-in-Progress arising out of reclassification of certain payments made under EPC Contract.

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

18. Earnings per share:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit available to equity shareholders		
Profit after tax (A) (Rupees in lakhs)	102,667	101,146
Number of equity shares		
Weighted average number of equity shares outstanding (B)	2,805,126,466	2,805,126,466
Basic and diluted earnings per share (A/B) (Rupees)	3.66	3.61
Nominal value of an equity share (Rupees)	10	10

19. Interest in joint venture operations:

The Parent Company, through its subsidiaries, has acquired Participating Interest (PI) in Oil & Gas and Coal Bed Methane (CBM) blocks in India by executing Production Sharing Contract (PSC) with the Government of India. PI in Oil & Gas block in Mizoram is held by Reliance Prima Limited (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 Rs. 742 lakhs (Previous Year: Rs. 415 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, 2014	As at March 31, 2013
Current assets		
Inventories	340	372
Short term loan and advances	36	18
Cash and bank balance	21	99
Current liabilities		
Other current liabilities	41	103

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.

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20. In the case of SPL, while determining the accounting policy for capitalisation considering the plant as unit of measurement (refer note 2 (d) (ii) above), the Group, after considering the opinions taken from the experts in accounting and technical and also views expressed by the industry association, has concluded that the entire plant, as envisaged in the PPA, would be taken as a unit of measurement for the purpose of capitalisation rather than unit wise completion in absence of detailed guidance under Accounting Standard (AS) 10 'Accounting for Fixed Assets' as prescribed under the Companies (Accounting Standards) Rules, 2006. Accordingly, the whole power plant consisting of all six units on commencement of commercial production, i.e. wherein commercially feasible quantities are produced in a commercially practicable manner, for the plant as a whole as determined by the PPA has been considered as the date of capitalisation.
- Accordingly, pending capitalisation, the revenues and direct operational expenses related to the units generated in the interim period are adjusted to the Capital Work-in-Progress.
21. In the case of DSPPL and RSTEPL, considering the specific features of tariff such as suo-motu generic nature, levelised for twenty five years with differential depreciation approach, which is not project specific tariff, DSPPL and RSTEPL had changed the depreciation rates for plant and machinery that as prescribed under Central Electricity Regulatory Commission (terms and condition for tariff determination from Renewable Energy Sources) Regulation, 2009 (CERC Regulation), to the rates specified in schedule XIV as per the Companies Act, 1956. DSPPL and RSTEPL had been advised legally that the change is in compliance with relevant statutory provisions.
- Further, on selecting the depreciation rates under schedule XIV as per the Companies Act, 1956, the management of DSPPL and RSTEPL has assessed the method of providing depreciation on its assets after taking into consideration the type and nature of use etc. Based on the assessment done, it was considered that it would result in more appropriate preparation and presentation of financial statements of the DSPPL and RSTEPL on selection of written down value (WDV) method of depreciation.
- Had the DSPPL and RSTEPL continued with the earlier method of depreciation, the Profit before tax in the standalone financials of DSPPL would have been higher by Rs. 8,418 lakhs and RSTEPL would have been higher by Rs. 239 lakhs. Capital Work in-Progress in RSTEPL would have been lower by Rs. 260 lakhs for the year ended March 31, 2014.
- However, in the consolidated financial statements, consistent with the method of depreciation applied to all other items of Plant and Machinery, the depreciation on the fixed assets of DSPPL and RSTEPL has been provided using Straight line method rates as prescribed under Schedule XIV of the Companies Act, 1956. Had DSPPL and RSTEPL continued with the earlier depreciation method, the consolidated Profit before tax would have been lower by Rs. 3,109 lakhs and Rs. 90 lakhs for DSPPL and RSTEPL respectively for the year ended March 31, 2014.
22. RPSCL has declared commercial operations for unit one and unit two of 300 mega watts each in Phase II, with effect from March 12, 2012 and April 1, 2012, respectively against which the RPSCL has filed a tariff petition on October 3, 2012 as per the requirements of the PPA and UPERC regulations. Pending final tariff determination of tariff by UPERC for Phase II, sale of energy aggregating Rs. 222,407 lakhs (Previous year: Rs. 224,625 lakhs) has been provisionally recognised and billed based on the provisional tariff order issued by UPERC.
23. 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 seven years from the date of commencement of operation for payment of entry tax on each phase of project. Accordingly, considering the said policy, RPSCL is filing the returns and would make the payments to the regulatory authorities on completion of moratorium period.
24. 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 five years from the date of commencement of operation, for payment of value added tax. Accordingly, considering the said policy, RPSCL is filing the returns and would make the payments to the regulatory authorities on completion of moratorium period.
25. 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. The Hon'ble Supreme Court has pronounced Interim order. As per Interim order, 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, is recoverable from the procurer as per the terms of the PPA.
26. The Parent Company, through its subsidiary Maharashtra Energy Generation Limited ("MEGL"), had signed Memorandum of Understanding with Government of Maharashtra (GoM) to set up 4,000 MW power project at Shahpur, Raigad District. MEGL expected that the Shahapur project will require 2,500 acres of land for the Power Project. However, the land acquisition procedures could not be completed within the stipulated period. In view of above, MEGL informed the GoM, vide letter dated September 6, 2011, of its decision not to pursue the project and further requested it to refund the amount initially paid as deposit for acquisition of land. During the previous financial year, MEGL received Rs. 3,716 lakhs towards refund of advance given earlier for acquisition of land and the balance amount from GoM is under process.

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

27. 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.
28. 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 Hon'ble Supreme Court of India claiming the benefits of Mega project. Pending resolution of the matter, SMPL is clearing the goods by paying the custom duty. The goods which have not been cleared have been stored in a customs bonded warehouse.
29. During the year to meet its obligation under the Power Purchase Agreement for supply of power, VIPL has supplied 1,102.31 million units to the procurers partly by purchasing 687.22 million units from third parties and balance from its own generation. The entire sale of power has been disclosed in the Statement of Profit and Loss as revenue from operations.
30. In the case of RSTEPL, as per the terms of loan agreement with Nederlandse Financierings - Maatschappij Voor Ontuikkelings landen N.V. ("FMO"), RSTEPL has the option to swap interest on foreign currency term loan from "FMO" from six month USD LIBOR to fixed interest rate. As per applicable foreign exchange regulation, RSTEPL has, through authorised dealer, applied to Reserve Bank of India (RBI) for approval of change in interest terms from floating to fixed. Pending receipt of approval, RSTEPL continues to make interest payment on floating interest rate. On receipt of approval from RBI, RSTEPL would pay the balance amount accrued Rs. 609 Lakhs
31. In the case of VIPL, it is eligible for tax holiday under Section 80- IA of Income Tax Act, 1961. Deferred tax liability for timing difference on account of depreciation, originating as on the Balance Sheet date and reversing after the tax holiday period amounting to Rs. 16,947 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 Rs. 19,778 Lakhs on unabsorbed depreciation has not been recognised based on consideration of prudence.

32. **Provision for Mine closure expenses (in case of SPL):**

	Rupees in lakhs	
	As at March 31, 2014	As at March 31, 2013
Balance as at beginning of the year	2,595	-
Additions	879	2,595
Amount used/reversed	-	-
Balance as at the end of the year	3,474	2,595

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.

33. 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, 2014	For the year ended March 31, 2013
a)	No. of CERs held as inventory and the basis of valuation	-	-
b)	No. of CERs under certification	88,630	-
c)	Depreciation, operating and maintenance costs of Emission Reduction equipment expensed during the year	-	-

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

35. **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.

Reliance Power Limited

Notes to the abridged consolidated financial statements for the year ended March 31, 2014

36. LHPPL, PHPPL, SPPL, SKHPPL and TPPL, developing together around 672 MW of Hydro power projects on built, own, operate and transfer (BOOT) basis, have signed a pre-implementation agreement with Government of Himachal Pradesh on June 1, 2011 and paid an aggregate amount of Rs. 6,720 lakhs to the Government as upfront fees for development and commissioning of the Hydro power projects.
37. Pursuant to the general exemption granted by the Department of Corporate Affairs, Government of India, Parent Company is publishing the consolidated and standalone financial statements of Reliance Power Limited and its subsidiaries. The requisite financial information of subsidiaries have been furnished by the management as a part of the annual report.
38. 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: 301112E
Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

C. D. Lala

Partner

Membership No. 35671

For and on behalf of the Board of Directors

Anil D. Ambani

Chairman

**J. L. Bajaj
Dr. Yogendra Narain
Dr. V. K. Chaturvedi
D. J. Kakalia**

} Directors

Ramaswami Kalidas

Company Secretary and Manager

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Place : Mumbai
Date : May 19, 2014

Financial Information of Subsidiary Companies

Name of Subsidiary	Share Capital including Share Application Money	Reserve and Surplus	Total Assets (Non-current + Current) except investments	Total Liability (Non-current + Current)	Investments	Turnover*	Profit/(Loss) before Taxation	Provision for Taxation Debited/ Credited to Statement of Profit and Loss	Profit/(Loss) after Taxation
RPSC	42,482	313,334	9,79,122	6,70,806	47,500	449,005	102,219	21,368	80,851
SPL	6,758	676,332	2,355,875	1,672,786	-	143	137	8	129
DSPPL	180	28,669	82,708	61,241	7,383	13,078	6,939	(624)	7,562
VIPL	1,403	145,351	476,308	340,330	10,777	54,186	(5,061)	-	(5,061)
JJPL	45	32,156	32,986	785	-	@	(33)	(3)	(31)
CAPL	5,100	(1,017)	104,965	100,882	-	-	(491)	-	(491)
CPPL	127,169	10,024	141,416	4,223	-	@	(193)	2	(195)
RSTPL	314	57,955	229,377	179,213	8,105	350	300	-	300
SMPL	3,002	296,702	853,255	553,551	@	-	@	-	@
SHPL	38	15,168	15,335	129	-	@	@	@	@
THPL	8	6,322	6,731	401	-	@	@	(2)	2
KPPL	35	13,441	13,651	176	-	@	@	@	@
USHPL	3	1,688	1,702	11	-	-	@	-	@
AHPL	39	3,908	3,965	17	-	-	@	-	@
EHPL	37	3,563	3,607	8	-	-	@	-	@
MHPL	25	2,382	2,407	@	-	-	@	-	@
PHPL	35	6,037	6,072	@	-	-	@	-	@
TPPL	12	1,951	1,970	7	-	-	@	-	@
SPPL	6	937	949	5	-	-	@	-	@
LHPL	13	2,159	2,173	1	-	-	@	-	@
SKHPL	16	2,657	2,673	@	-	-	@	-	@
CAPIL	6	1,979	2,462	477	-	-	@	(4)	4
ATPL	1	445	447	1	-	-	(2)	-	(2)
AMPL	1	34	52	17	-	-	(44)	-	(44)
Rprima	5	@	6	@	-	-	(14)	-	(14)
MEGL	10	1,420	1,430	1	-	-	(2)	-	(2)
RNRL	5	2,250	5,441	3,186	-	13	(1,249)	-	(1,249)
RGPL	5	2,470	2,482	7	-	@	@	@	@
RCGL	2,595	241,787	13,977	11,840	242,245	5	(373)	1	(374)
MPL	5	26	31	@	-	-	@	-	@
RSRPL	1	(1)	2	1	-	-	-	-	-
RWPPL	1	43	44	@	-	-	@	-	@
RCRPL	210	15,874	10,417	9,506	15,173	192	(217)	-	(217)
RPNS	16,297	523	37,913	29,561	8,468	1,521	(56)	-	(56)
PTH\$	9,445	5	3,565	3	5,889	4	(2)	-	(2)
PTAS	4,213	(439)	1,820	259	2,213	11	(123)	-	(123)
BBE#	3,799	(39)	4,083	322	-	@	(80)	-	(80)
SBE#	9,503	(113)	9,594	204	-	3	(36)	-	(36)
RNRL-Singapore\$	165,257	5,194	171,162	829	118	9,801	9,784	2	9,782
PTSS	118	(14)	91	36	50	16	11	-	11

* Represents other income also
 \$ Reporting currency is USD
 # Reporting currency is IDR
 No proposed dividend in subsidiaries.
 Exchange rate as on March 31, 2014 : 1 IDR = 0.0053 INR; 1 USD = 60.0998 INR.
 @ Amount is below rounding off norm adopted by the Group.

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

CIN: L40101MH1995PLC084687, e-mail: reliancepower.investors@relianceada.com

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

DP. Id*		Name and Address of the registered Shareholder
Client Id / Regd. Folio No.		
No. of Share(s) held		

I/ We hereby record my/our presence at the **20th Annual General Meeting** of the Company, to be held on Tuesday, September 30, 2014 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.

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

Signature of the shareholders or proxy

TEAR HERE

PROXY FORM**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)

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

CIN: L40101MH1995PLC084687, e-mail: reliancepower.investors@relianceada.com

Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No / Client ID:	
DP ID :	

I / We, being the member(s) of shares of the above named company, hereby appoint:

- (1) Name Address.....
Email ID Signature..... or failing him/her
- (2) Name Address.....
Email ID Signature..... or failing him/her
- (3) Name Address.....
Email ID Signature..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **20th Annual General Meeting** of the Company, to be held on Tuesday, September 30, 2014 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 resolutions as are indicated below:

RESOLUTION NO.**ORDINARY BUSINESS**

- To consider and adopt :
 - the audited financial statement of the Company for the financial year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon and
 - the audited consolidated financial statement of the Company for the financial year ended March 31, 2014 and the report of the Auditors thereon.
- To appoint a Director in place of Dr. V. K. Chaturvedi (DIN: 01802454), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration

Signed this _____ day of _____, 2014.

Signature of the Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.

If undelivered please return to:

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

Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13C, Madhapur Village
Hyderabad 500 081

Tel. : + 91 40 4030 8000

Fax : + 91 40 2342 0859

Email : rpower@karvy.com