

FINANCIAL STATEMENT

2014-15

**RELIANCE GEOTHERMAL POWER
PRIVATE LIMITED**

Independent Auditors' Report

To the Members of
Reliance Geothermal Power Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Geothermal Power Private Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2015, Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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 considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Offices: 4-B-4, Aashirwad Plaza, Talwandi, Kota 324005 Rajasthan
C/o Moosa Bhoy & Co., 31, Shopping Centre, Kota 324007 Rajasthan
Amitulla Villa, Bairaj Road, Tipta, Kota 324006 Rajasthan
Shop No. 3, Agrawal Dharmashala Aklera, Jhalawar 326033 Rajasthan

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015; its Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2015 (CARO) issued by the Central Government of India in terms of sub-section (11) Section 143 of the Companies Act, 2013 is not applicable to the Company.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply materially with the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from directors and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) As per the information and explanations given to us, there are no ongoing litigations as at the reporting date that would have a material impact on its financial position;
 - ii) Based upon the assessment made by the Company, there are no material foreseeable losses on its long-term contracts that may require any provisioning;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S M A & Co.

Chartered Accountants
Regn.No.018452C

Amit Khandelwal

Partner
Membership No. 150398

Place: Mumbai

Date: May 21, 2015

Offices: 4-B-4, Aashirwad Plaza, Talwandi, Kota 324005 Rajasthan
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Reliance Geothermal Power Private Limited
Balance Sheet as at March 31, 2015

Particulars	Note	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3.1	100,000	100,000
Reserves and Surplus	3.2	(5,096,567)	(38,791)
Current liabilities			
Other Current liabilities	3.3	5,179,554	40,854
Short-term provisions	3.4		554
Total		182,987	102,617
Assets			
Non-current assets			
Non-current investments	3.5		100,000
Current assets			
Cash and Bank Balances	3.6	149,657	2,617
Other current assets	3.7	33,330	-
Total		182,987	102,617
Significant Accounting Policies	2		

The notes are an integral part of these financial statements.

As per our Report of even date

For SMA & Co.
Chartered Accountants
Regn. No.018452C

Amit Khandelwal
Partner
Membership No. 150398

Place: Mumbai
Date: May 21, 2015

For and on behalf of the Board of Directors

Ramaswami Kalidas
Director
DIN: 00203913

Pranav Raval
Director
DIN: 03486153

Place: Mumbai
Date: May 21, 2015

Reliance Geothermal Power Private Limited
Statement of Profit and Loss the year ended March 31, 2015

Particulars	Note	Year Ended March 31, 2015 Rupees	Year Ended March 31, 2014 Rupees
Revenue:			
Other Income	3.8	-	21,000
Total Revenue		<u>-</u>	<u>21,000</u>
Expenses:			
Other Expenses	3.9	5,057,624	19,218
Total Expenses		<u>5,057,624</u>	<u>19,218</u>
Profit/(Loss) before tax		(5,057,624)	1,782
Tax expense:			
Current Tax		-	554
Income Tax for earlier year		152	-
Profit/(Loss) for the year		<u>(6,057,776)</u>	<u>1,228</u>
Earnings per equity share (Face value of Rs. 10 each)			
-Basic and Diluted	6	(505.78)	0.12
Significant Accounting Policies	2		

The notes are an integral part of these financial statements

As per our Report of even date

For SMA & Co,
Chartered Accountants
Regn. No.018452C

For and on behalf of the Board of Directors

Amit Khandelwal
Partner
Membership No. 150398

Ramaswami Kalidas
Director
DIN: 00203913

Pranav Raval
Director
DIN: 03486153

Place: Mumbai
Date: May 21, 2015

Place: Mumbai
Date: May 21, 2015

Reliance Geothermal Power Private Limited
Cash Flow Statement for the Year ended March 31, 2015

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
(A) Cash Flow from/ (used in) Operating Activities:		
Net Profit/ (Loss) Before Tax	(5,057,624)	1,782
Operating Profit/ (Loss) before working capital changes	(5,057,624)	1,782
Adjustments for:		
Other Current Assets	(33,482)	-
Other Current Liabilities	5,138,146	(5,300)
	5,104,664	(5,300)
Net Cash from/ (used in) Operating Activities	47,040	(3,518)
(B) Cash Flow from/ (used in) Investing Activities:		
Sale of Investment in equity shares	100,000	10
Net Cash from Investing Activities	100,000	10
(C) Cash Flow from/ (used in) Financing Activities:		
Net Cash from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash equivalents: (A+B+C)	147,040	(3,608)
Cash and Cash equivalents at the beginning of the year:		
Bank Balance - current account	2,617	6,125
Cash and Cash equivalents at the end of the year :		
Bank Balance - current account	149,657	2,617

Previous year figures have been regrouped and recast wherever necessary.

As per our Report of even date

For SMA & Co.
Chartered Accountants
Regn. No.018452C

For and on behalf of the Board of Directors

Amit Khandelwal
Partner
Membership No. 150398

Ramaswami Kallidas
Director
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Pranav Raval
Director
DIN: 03486153

Place: Mumbai
Date: May 21, 2015

Place: Mumbai
Date: May 21, 2015

Reliance Geothermal Power Private Limited
Notes to the financial statements for the year ended March 31, 2015

1. Background

Reliance Geothermal Power Private Limited is incorporated under the provisions of Companies Act, 1956 for generation of geothermal power.

2. Significant Accounting Policies

a) Basis of accounting

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

b) Use of Estimates

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

c) Investments

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

d) Provisions and Contingent Liabilities

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

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

e) Revenue Recognition

Revenue is recognised when it is reasonably certain that the ultimate collection will be made.

f) Accounting for Taxes on Income

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

Reliance Geothermal Power Private Limited
Notes to the financial statements for the year ended March 31, 2015

g) Cash and Cash Equivalents

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

h) Earnings per Share

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

Reliance Geothermal Power Private Limited
Notes to the financial statements for the year ended March 31, 2015 (continued)

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.1 Share Capital		
Authorised		
10,000 (Previous year : 10,000) equity shares of Rs.10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, Subscribed and Paid up		
10,000 (Previous year: 10,000) equity shares of Rs.10 each fully paid up	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
3.1.1 Reconciliation of number of shares		
Equity shares		
Balance at the beginning of the year	100,000	100,000
10,000 (Previous year: 10,000) equity shares of Rs.10 each		
Add: Issued during the year		
Balance at the end of the year - 10,000 (Previous year : 10,000) shares of Rs.10 each	<u>100,000</u>	<u>100,000</u>

3.1.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

3.1.3

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	Percentage of share holding	As at March 31, 2015 No. of Shares	As at March 31, 2014 No. of Shares
Equity Shares of Rs.10 each fully paid up			
Reliance Renewable Power Private Limited	33.33%	-	3,333
Reliance Tidal Power Private Limited	33.33%	-	3,333
Reliance Biomass Power Private Limited	33.34%	-	3,334
Rosa Power Supply Company Limited	50.00%	5,000	-
Vidarbha Industries Power Limited	25.00%	2,500	-
Reliance Infrastructure Limited	25.00%	2,500	-
		<u>10,000</u>	<u>10,000</u>

Reliance Geothermal Power Private Limited
Notes to the financial statements for the year ended March 31, 2015 (continued)

	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
3.2 Reserves and Surplus		
Surplus/ (Deficit) in the statement of Profit and Loss		
Balance at the beginning of the year	(36,791)	(40,019)
Add : Profit/ (Loss) for the year	(5,057,776)	1,228
Balance at the end of the year	<u>(5,096,567)</u>	<u>(38,791)</u>
3.3 Other Current Liabilities		
Dues to Related Parties	5,123,700	
Other Payables	55,854	40,854
	<u>5,179,554</u>	<u>40,854</u>
3.4 Short Term Provisions		
Provision for Income tax	-	554
	<u>-</u>	<u>554</u>
3.5 Non-Current Investments (Non-trade)		
Equity Instruments (unquoted, fully paid-up, at cost) In Associates		
Reliance Biomass Power Private Limited	-	33,340
Nil (Previous year: 3,334) equity shares of Rs.10 each		
Solar Generation Company (Rajasthan) Private Limited	-	33,330
Nil (Previous year: 3,333) equity shares of Rs.10 each		
Reliance Renewable Power Private Limited	-	33,330
Nil (Previous year: 3,333) equity shares of Rs.10 each		
	<u>-</u>	<u>100,000</u>
3.6 Cash and Bank Balances		
Cash and cash equivalents:		
Bank Balance in current account	149,657	2,617
	<u>149,657</u>	<u>2,617</u>
3.7 Other Current assets		
Other Receivables	33,330	-
	<u>33,330</u>	<u>-</u>
	Year Ended March 31, 2015 Rupees	Year Ended March 31, 2014 Rupees
3.8 Other Income		
Consultancy fees received	-	21,000
	<u>-</u>	<u>21,000</u>
3.9 Other expenses		
Printing and Stationery	16,500	-
Professional Charges	1,200	1,200
Auditor's Remuneration	15,000	17,600
Tender Expenses	5,023,700	-
Filing Fees	1,224	418
	<u>5,057,624</u>	<u>19,218</u>

Reliance Geothermal Power Private Limited
Notes to the financial statements for the year ended March 31, 2015 (continued)

	Year Ended March 31, 2015 Rupees	Year Ended March 31, 2014 Rupees
4 Details of Remuneration to Auditors (excluding service tax)		
As statutory auditor	15,000	15,000
Expenses reimbursed		746
	15,000	15,746

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

A. Parties where Control exists:

(i) Ultimate holding Company - Reliance Power Limited (RPower)
Fellow Subsidiary - Reliance Cleangen Limited

(ii) Major Investing Parties/Promoters having significant influence on the Holding/Ultimate Holding Company directly or indirectly

Companies
Reliance Infrastructure Limited (R Infra)

Individual
Shri Anil D Ambani

A. Related Parties with whom transactions have taken place during the year/ closing balance existed at the year end:

(i) Enterprises having significant influences over the company
Reliance Renewable Power Private Limited (RRPPL)
Reliance Tidal Power Private Limited (RTPPL)
Reliance Biomass Power Private Limited (RBPPL)
Rosa Power Supply Company Limited (RPSCCL) (w.e.f. 17.01.2015)
Vidarbha Industries Power Limited (VIPL) (w.e.f. 17.01.2015)
Reliance Infrastructure Limited (R Infra) (w.e.f. 17.01.2015)

(ii) Associate Company
Reliance Biomass Power Private Limited (RBPPL)
Reliance Renewable Power Private Limited (RRPPL)
Solar Generation Company (Rajasthan) Private Limited (SGCPL)

B. Details of transactions and Closing Balance:

Particulars	Rupees								
	RPower	RPSCCL	VIPL	R Infra	RCGL	SGCPL	RRPPL	RBPPL	RTPPL
Transactions during the year:									
Sale of Investment	-	-	-	-	-	-	33,340	33,330	33,330
ICD received	-	1,000,000	-	-	1,600,000	-	-	-	-
Expenses incurred	2,528,700	-	-	-	-	-	-	-	-
Closing Balance:									
Equity Shares capital	-	60,000	25,000	25,000	-	-	33,330	33,340	33,330
Investment in Associate Companies	-	-	-	-	-	33,330	33,330	33,340	-
Current liabilities	2,523,700	1,000,000	-	-	1,600,000	-	-	-	-

Figures in Italics are pertaining to previous year.

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

Reliance Geothermal Power Private Limited
Notes to the financial statements for the year ended March 31, 2015 (continued)

	Year Ended March 31, 2015	Year Ended March 31, 2014
6 Earnings Per share		
Profit/ (Loss) for the Year (Rupees) (A)	(5,057,776)	1,228
Weighted Avg. No of Shares for Equity Shares (B)	10,000	10,000
Earning/ (Loss) per share-Basic and Diluted (Rupees) (A/B)	(505.78)	0.12
Nominal Value of an Equity Share (Rupees)	10	10

7 Segment Reporting

Since the commercial operations of the Company has not commenced, there are no separate reportable segments as defined under Accounting Standard - 17 'Segment Reporting' as prescribed by Companies (Accounting Standard) Rules, 2006.

8 Micro and Small Scale Business Entities

There are no Micro, Medium and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

9 Previous year figures have been regrouped and recast wherever necessary.

For SMA & Co.
Chartered Accountants
Regn. No.018452C

For and on behalf of the Board of Directors

Amit Khandelwal
Partner
Membership No. 15039B

Ramaswami Kalidas
Director
DIN: 00203913

Pranav Raval
Director
DIN: 03488153

Place: Mumbai
Date: May 21, 2015

Place : Mumbai
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