

FINANCIAL STATEMENT

2014-15

**RAJASTHAN SUN TECHNIQUE
ENERGY PRIVATE LIMITED**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAJASTHAN SUN TECHNIQUE ENERGY PRIVATE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. 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, and its profit and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

To the members of Rajasthan Sun Technique Energy Private Limited
Report on the financial statements
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Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and 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 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2015 which would impact its financial position.
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2015 for which there were no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

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

Priyanshu Gundana
Partner
Membership Number : 109553

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : May 23, 2015

Place : Mumbai
Date : May 23, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Rajasthan Sun Technique Energy Private Limited on the financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. The Company does not have any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. 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.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. The Rules made by the Central Government of India with respect to maintenance of cost records pursuant sub-section (1) of Section 148 of the Act are not applicable as the Company has not started commercial operations.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, service tax, works contract tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2015 for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.
(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. 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.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Rajasthan Sun Technique Energy Private Limited on the financial statements for the year ended March 31, 2015
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- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii. 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 Registration Number: 301112E
Chartered Accountants

For Chaturvedi & Shah

Firm Registration No: 101720W
Chartered Accountants

Priyanshu Gundana

Partner
Membership Number : 109553

Place : Mumbai
Date : May 23, 2015

Vijay Napawaliya

Partner
Membership No. 109859

Place : Mumbai
Date : May 23, 2015

Rajasthan Sun Technique Energy 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	31,419,850	31,419,850
Reserves and surplus	3.2	5,797,214,957	5,762,495,517
Non-current liabilities			
Long term borrowings	3.3	15,309,864,999	15,681,401,612
Other long term liabilities	3.4	1,084,491,502	844,713,715
Long-term provisions	3.5	1,860,834	5,870,300
Current liabilities			
Short term borrowings	3.6	1,372,100,000	-
Other current liabilities	3.7	1,505,011,190	1,307,214,613
Short-term provisions	3.8	52,834,667	58,034,698
Total		25,154,797,999	23,691,150,305
Assets			
Non-current assets			
Fixed assets			
Tangible assets	3.9	312,520,157	364,780,793
Intangible assets	3.9	128,514	285,110
Capital work-in-progress	3.10	22,241,167,103	19,266,554,990
Long term loans and advances	3.11	1,304,700,301	1,655,623,209
Other non current assets	3.12	105,317,140	202,710,378
Current assets			
Current investments	3.13	855,883,513	810,487,326
Cash and bank balances	3.14	174,361,107	1,206,248,721
Short term loans and advances	3.15	63,112,466	52,638,396
Other current assets	3.16	97,607,698	131,821,382
Total		25,154,797,999	23,691,150,305

The notes are an integral part of these financial statements

Rajasthan Sun Technique Energy Private Limited

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Priyanshu Gundana
Partner
Membership Number: 109553

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: *May 23, 2015*

For and on behalf of the Board of Directors

Sankaran Srinivasan
Director
DIN Number: 01765310

Sunil K Agarwal
Director
DIN Number: 03636810

Place: Mumbai
Date: *May 23, 2015*

Rajasthan Sun Technique Energy Private Limited
Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Notes	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Other income	3.17	51,257,853	34,991,819
Total Revenue		51,257,853	34,991,819
Expenses:			
Depreciation and amortisation expenses		16,356,105	37,999,335
Total Expenses		16,356,105	37,999,335
Profit before tax		34,901,748	(3,007,516)
Tax expense:			
Current tax		182,308	
Profit/ (Loss) for the year		34,719,440	(3,007,516)
Earnings/ (loss) per equity share: (Face value of Rs. 10 each)			
Basic		12.16	(1.36)
Diluted		12.02	(1.36)
(Refer Note 10)			

The notes are an integral part of these financial statements

Rajasthan Sun Technique Energy Private Limited

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana
Partner
Membership Number: 109553

Sankaran Srinivasan
Director
DIN Number: 01765310

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Sunil K Agarwal
Director
DIN Number: 03636810

Place: Mumbai
Date: *May 23, 2015*

Place: Mumbai
Date: *May 23, 2015*

Rajasthan Sun Technique Energy 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	34,901,748	(3,007,516)
Adjustments for:		
Dividend income	(50,667,860)	(34,987,326)
Interest income	(589,993)	
Gain on sale of investment in mutual fund		(4,493)
Depreciation and amortisation expenses	16,356,105	37,999,335
Net cash generated from Operating activities	16,356,105	37,999,335
(B) Cash flow from/ (used in) Investing activities		
Purchase of Fixed assets (including Capital work-in-progress and Capital advances)	(606,319,795)	(7,307,650,578)
(Purchase)/ sale of investments (Net)	(44,806,194)	(810,487,326)
Dividend received	50,667,860	34,987,326
Interest received	16,588,891	123,006,615
Taxes Paid	(4,908,536)	(12,455,983)
Net cash (used in) Investing activities	(588,777,774)	(7,972,599,946)
(C) Cash flow from/ (used in) Financing activities		
Proceeds from issue of shares and share application money	-	1,632,000,000
Inter corporate deposit received	1,372,100,000	310,000,000
Inter corporate deposit repaid	-	(310,000,000)
Proceeds from borrowing - secured	-	8,780,991,470
Repayment of borrowing - secured	(870,187,511)	(329,156,112)
Interest and finance charges paid	(945,022,329)	(914,987,313)
Net cash generated/ (used in) Financing activities	(443,109,840)	9,168,848,045
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(1,031,887,614)	1,196,248,098
Cash and cash equivalents at the beginning of the year:		
Bank balance - current account	886,248,721	10,000,622
Bank balance - fixed deposits account	320,000,000	
Cash and cash equivalents at the end of the year:		
Bank balance - current account	44,361,107	886,248,721
Bank balance - fixed deposits account	130,000,000	320,000,000

Previous year figures have been regrouped and recasted wherever considered necessary to the current year classification.

Rajasthan Sun Technique Energy Private Limited

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana

Partner

Membership Number: 109553

Sankaran Srinivasan

Director

DIN Number: 01765310

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number: 101720W

Vijay Napawaliya

Partner

Membership Number: 109859

Sunil K Agarwal

Director

DIN Number: 03636810

Place: Mumbai

Date: *May 23, 2015*

Place: Mumbai

Date: *May 23, 2015*

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015

1 General information

Rajasthan Sun Technique Energy Private Limited is a wholly owned subsidiary of Reliance Power Limited. The Company is a Special Purpose Vehicle to develop and generate 100 mega watt (MW) Solar Concentrated Thermal Power Project at Dhursar, Near Pokhran, District Jaisalmer, Rajasthan. The Company has entered into a Power Purchase Agreement (PPA) for 100 MW capacity with NTPC Vidyut Vyapar Nigam Limited (NVTN).

2 Significant accounting policies

a) Basis of preparation

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 and are presented in Indian Rupees round off to the nearest rupee.

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) Tangible assets and Capital work-in-progress

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

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable to borrowing cost are disclosed as Capital work in progress.

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, construction stores, revenues and direct operational expenses related to the units of power generated in the interim period, pending capitalisation, are disclosed as Capital work-in-progress.

d) Intangible assets

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

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

e) Impairment of assets

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

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

f) Depreciation/ amortisation

(i) Tangible assets:

Depreciation on tangible assets is provided to the extent of depreciable amount on Written Down Value Method (WDV) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in respect of the Plant and equipment where useful life has been estimated as 25 years based on internal assessment and technical evaluation by management.

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier.

(ii) Intangible assets:

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

g) Investments

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

h) Provisions and contingent liabilities

(i) 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.

(ii) Contingent liabilities:

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

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

(iii) Contingent assets:

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

i) Borrowing costs

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

j) Foreign currency transactions

(i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

Rajasthan Sun Technique Energy Private Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein
- Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
 - In other cases, foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortised over the balance period of such long term asset/ liabilities.
 - An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment/ settlement as defined under the respective agreement/ memorandum of understanding.
- (iv) The premium or discount arising at the inception on forward exchange contracts entered into to hedge an existing asset/ liability is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the year.
- (v) Loss on derivative contracts, other than those covered under Accounting Standards – 11 "The Effects of Changes in Foreign Exchange Rates" (refer (iv) above), outstanding as at the balance sheet is provided for by marking them to market as per the announcement by The Institute of Chartered Accountants of India. Any unrealised gain arising on such contracts are not recognised.

k) Revenue recognition

- (i) Revenue from sale of energy is recognised when it is measurable and there is reasonable certainty for collection, in accordance with the tariff provided in the PPA. The revenue accounted/ accrued till the commissioning of power plant as a whole is accounted for as per the accounting policy as defined above in note 2(c).
- (ii) Profit on sale/ redemption of investment is accounted on sale/ redemption of such investments. Dividend on investment is accounted when the right to receive payment is established in the entity's favour. Interest on deposits is accounted for on an accrual basis.
- (iii) Revenue from certified reduction units is recognized as per terms and conditions agreed with trustee on future sale of certified emission reduction units.

l) Employee benefits

- (i) Defined contribution plans:
Contributions to defined contribution schemes such as provident fund and superannuation are charged off to Capital work-in-progress during the year in which the employee renders the related service.
- (ii) Defined benefit plans:
The Company also provides employee benefits in the form of gratuity and leave encashment, the liability for which as at the year end is determined by independent actuaries based on actuarial valuation using the projected unit credit method. Such defined benefits are charged off to Capital work-in-progress. Actuarial gain/ losses are recognised in the year in which they arise.
- (iii) Short term/ long term employee benefits:
All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to Capital work-in-progress. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

m) 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 year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. 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.

n) 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.

o) Cash flow statement

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

p) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year after deducting preference share dividend and attributable tax 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.

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and 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 share capital		
4,000,000 (Previous Year : 4,000,000) Equity shares of Rs.10 each	40,000,000	40,000,000
10,000,000 (Previous Year : 10,000,000) Preference shares of Re.1 each	10,000,000	10,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up capital		
2,856,350 (Previous Year: 2,856,350) Equity shares of Rs.10 each	28,563,500	28,563,500
2,856,350 (Previous year: 2,856,350) Preference shares of Re.1 each fully paid up [Refer Note 3.1.2(b)]	2,856,350	2,856,350
	<u>31,419,850</u>	<u>31,419,850</u>
3.1.1 Reconciliation of number of shares		
Equity shares		
Balance at the beginning of the year 2,856,350 (Previous Year: 2,210,000) shares of Rs.10 each	28,563,500	22,100,000
Add: Issued, subscribed and paid up during the year Nil (Previous Year: 646,350) shares of Rs.10 each issued at premium of Rs.900 per share		6,463,500
Balance at the end of the year 2,856,350 (Previous Year: 2,856,350) shares of Rs.10 each	<u>28,563,500</u>	<u>28,563,500</u>
Preference shares [Refer Note 3.1.2(b)]		
Balance at the beginning of the year 2,856,350 (Previous Year: 360,700) shares of Re. 1 each	2,856,350	360,700
Add: Issued during the year Nil (previous year: 2,495,650) shares of Re.1 each issued at premium of Re. 999 per share		2,495,650
Balance at the end of the year - 2,856,350 (previous year: 2,856,350) shares of Re.1 each	<u>2,856,350</u>	<u>2,856,350</u>
3.1.2 Rights, preference and restriction attached to shares		
a) Equity shares		
The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of the equity share 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.		
b) Preference shares		
As on March 31, 2014 - 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS)		
The Company has only one class of 7.5% Non Cumulative Non Convertible Redeemable Preference Shares ("NCRPS") having face value of Re.1 per share which have been issued at a premium of Rs. 999 per share. All the NCRPS have a maturity period of twenty years from the date of their allotment. Out of the total issued shares, 2,495,650 NCRPS can be early redeemed after fifteen years from the date of their allotment and the balance 360,700 NCRPS can be early redeemed after January 1, 2016 at the option of the Company or the shareholder at an issue price of Rs. 1,000 per share. Dividend on NCRPS if declared, is payable on the issue price of Rs.1,000.		
As on March 31, 2015- 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
"Pursuant to the special resolutions passed by the Preference Share Holders and the equity share holders on March 28, 2015, the Company has made modifications in the terms and conditions of NCRPS issued which are summarized below. Consequent to the modification/ variations, NCRPS are termed now as 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS). The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs.10 each at a premium of Rs. 990 per share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative."		
3.1.3 Shares held by Holding Company		
Equity shares		
Reliance Power Limited - 2,856,350 (Previous Year: 2,856,350) equity shares of Rs.10 each fully paid (Of the above, 2,856,349 (Previous year: 2,856,349) shares are held by Reliance Power Limited and 1 share is jointly held by Reliance Power Limited and its nominees)	28,563,500	28,563,500
Preference shares [Refer Note 3.1.2(b)]		
Reliance Power Limited - 2,856,350 (previous year : 2,856,350) preference shares of Re.1 each fully paid	2,856,350	2,856,350
	<u>31,419,850</u>	<u>31,419,850</u>
3.1.4 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
Equity shares		As at March 31, 2014 No. of shares
Reliance Power Limited (Equity shares of Rs.10 each)	100%	2,856,350
Preference shares [Refer Note 3.1.2(b)]		
Reliance Power Limited (Preference shares of Re.1 each)	100%	2,856,350

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

3.2 Reserves and surplus

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Securities premium account		
Balance at the beginning of the year	5,671,380,150	2,538,339,300
Add: Premium on issue of Nil (Previous Year: 646,350) Equity shares		639,886,500
Add: Premium on issue of Nil (Previous Year: 2,495,650) Preference shares [Refer Note no. 3.1.2(b)]		2,483,154,350
Balance at the end of the year	5,671,380,150	5,671,380,150
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	91,115,367	94,122,883
Add: Profit/ (Loss) for the year	34,719,440	(3,007,516)
Balance at the end of the year	125,834,807	91,115,367
	5,797,214,957	5,762,495,517

3.3 Long term borrowings

Secured		
Term loans		
- Rupee Loans from banks	1,018,134,000	1,063,620,000
- Foreign currency loans from financial institutions/ other parties	14,291,730,999	14,617,781,612
	15,309,864,999	15,681,401,612

3.3.1 Nature of security:

- Term loans from all banks, financial institutions/ other parties of Rs. 16,275,140,665 (Previous Year Rs. 16,550,333,406) is secured/ to be secured by first charge on all the immovable and movable assets of the Company on pari passu basis and pledge of 100% of the total issued share capital of the Company held by the Holding Company.
- The Holding Company has given financial commitments/ guarantees to the lender of the Company. [Refer Note 9(D)(iii)].
- Current maturities of long term borrowings have been classified as other current liabilities (Refer Note 3.7)

3.3.2 Terms of repayment of loans and rate of interest:

- The Rupee loan has a tenure of upto 15 years from the date of first disbursement, Rs. 1,063,734,000 (Previous Year Rs. 1,118,910,000) will be repaid in 54 unequal quarterly installments starting from January 7, 2014 and interest rate is a floating rate linked to Axis Bank base rate plus 3%, payable on monthly
- Foreign currency loan from financial institutions/ other parties of Rs. 3,092,294,313 (Previous Year Rs. 3,176,352,988) has a tenure of upto 17.38 years from the date of first disbursement. It will be repaid in 33 unequal half yearly installments starting from January 25, 2014 and carry fixed rate of interest of 2.55% per annum payable half yearly.
- Foreign currency loan from financial institutions/ other parties Rs. 5,927,860,761 (Previous Year Rs. 6,066,473,812) has a tenure of upto 17.45 years from the date of first disbursement. It will be repaid in 33 unequal half yearly installments starting from January 7, 2014 and carry interest rate of LIBOR plus 365 basis points per annum payable half yearly.
- Foreign currency loan from financial institutions/ other parties of Rs. 5,295,262,660 (Previous Year Rs. 5,300,802,360) has a tenure of upto 14.45 years from the date of first disbursement. It will be repaid in 27 unequal half yearly installments starting from January 7, 2014 and carry fixed interest rate of 5.95% per annum w.e.f. July 8, 2013, prior to that it was Libor plus 365 basis points per annum, payable half yearly.
- Foreign currency loan from financial institutions/ other parties of Rs. 666,048,691 (Previous Year Rs. 66,7794,246) has a tenure of upto 17.53 years from the date of first disbursement. It will be repaid in 33 unequal half yearly installments starting from February 6, 2014 and carry fixed interest rate of 7.1% per annum w.e.f. July 8, 2013, prior to that it was Libor plus 500 basis points per annum, payable half yearly.

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.4 Other long term liabilities		
Retention money payable to Related party (Refer Note 9)	533,219,678	507,777,679
Others (including hedging premium)	403,214,407	336,936,036
Advance against certified emission reduction	148,057,417	
	1,084,491,502	844,713,715

3.5 Long-term provisions

Provision for employee benefits (Refer Note 8)		
- Gratuity	335,735	1,882,592
- Leave encashment	1,525,099	3,987,708
	1,860,834	5,870,300

3.6 Short term borrowings

Inter corporate deposit from Holding Company (Refer Note 9) (Interest free deposit for a period upto one year)	1,372,100,000	
	1,372,100,000	

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.7 Other current liabilities		
Current maturity of long term borrowings	965,275,666	888,931,794
Interest accrued but not due on borrowings	152,301,640	184,792,791
Interest accrued and due on borrowings	11,401,635	60,912,815
Advance against certified emission reduction	31,408,250	-
Creditors for capital expenditure (Refer Note 12)	149,869,144	96,572,486
[Including Rs. 111,466,232 (Previous year Rs. 91,348,947) payable to related parties (Refer Note 9)]		
Retention money payable (Refer Note 12)	1,011,414	23,710,684
Employee benefits payable	1,635,243	16,450,450
Others *	192,110,198	75,843,593
*(Including hedging premium, provident fund, tax deducted at source and other miscellaneous payables)		
	1,505,011,190	1,307,214,613
3.8 Short-term provisions		
Provision for employee benefits (Refer Note 8)		
- Gratuity	1,061,347	1,308,691
- Leave encashment	634,225	860,684
Provision for tax (net of advance tax Rs. 28,940,152 (Previous Year : Rs 24,031,616))	51,139,095	55,865,323
	52,834,667	58,034,698

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

3.9 Fixed assets

Particulars	Gross block (at cost)		Depreciation/ amortisation			Net block	
	As at April 1, 2014	Additions during the year	As at March 31, 2015	For the year*	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
<u>Tangible assets</u>							
Leasehold land	5,749,020	-	5,749,020	191,442	718,170	5,030,850	5,222,292
Buildings	251,250,957	454,384	251,705,341	34,303,029	80,777,363	170,927,978	204,777,423
Plant and equipment	202,442,138	-	202,442,138	16,525,349	69,402,833	133,039,305	149,564,654
Furniture and fixtures	948,379	135,710	1,084,089	217,748	721,944	362,145	444,183
Office equipment	5,185,308	962,864	6,148,172	2,605,995	3,368,054	2,780,118	4,423,249
Computers	892,244	374,346	1,266,590	349,789	893,041	373,549	348,992
Vehicles	-	6,700	6,700	488	488	6,212	-
Total tangible assets	466,468,046	1,934,004	468,402,050	54,194,640	155,281,893	312,520,157	364,730,793
Previous year	460,527,279	5,940,767	466,468,046	72,356,747	101,687,253	384,780,793	-
<u>Intangible assets</u>							
Computer software	430,000	31,596	461,596	188,192	333,082	128,514	285,110
Total intangible assets	430,000	31,596	461,596	188,192	333,082	128,514	285,110
Previous year	430,000	-	430,000	143,319	144,890	285,110	-

* Refer Note 2(f) and Note 15

3.10 Capital work-in-progress

Rupees			
Particulars	As at April 1, 2014	Incurred during the year	As at March 31, 2015
A. Assets under construction	15,886,332,288	752,353,532	16,638,685,820
B. Expenditure pending allocation			
Project development charges paid to Regulatory Authority	8,272,500		8,272,500
Interest and finance charges	1,766,353,676	883,019,998	2,649,373,674
Rent expenses	41,871,697	13,323,956	55,195,653
Insurance	72,655,918	78,369,016	150,024,934
Employee benefit expenses			
- Salary, bonus and other allowance	182,450,561	33,882,162	216,332,723
- Contribution to provident and other funds	5,934,760	1,897,632	7,832,392
- Leave encashment and gratuity (Refer Note 8)	6,905,937	(3,432,745)	3,473,192
Legal and professional fees (including share service charges)	151,838,347	46,791,826	200,630,173
Depreciation/ amortisation expenses	49,831,424	38,028,727	87,859,151
Bank and corporate guarantee charges	31,866,233	9,755,240	41,621,473
Communication expenses	9,310,743	1,002,574	10,313,317
Start up power and commissioning expenses (net of sale of infirm power of Rs. 14,028,840)	34,049,779	99,509,266	133,559,045
Exchange loss/(gain) (net) (refer Note no. 2(j) and 13)	941,132,257	592,808,378	1,533,940,635
Security expenses	10,308,083	6,567,607	16,875,690
Travelling and conveyance	49,027,422	15,399,552	64,426,974
Miscellaneous expenses	184,444,640	420,460,112	604,904,752
	3,546,163,977	2,239,381,301	5,785,535,278
Less: Income			
Dividend income on current (non-trade) investments	5,512,067		5,512,067
Interest on fixed deposit	240,316,144	15,106,727	255,422,871
Sale of scrap		2,015,993	2,015,993
	245,828,211	17,122,720	262,950,931
Less: Provision for income tax	79,896,936		79,896,936
	165,931,275	17,122,720	183,053,995
Total (B)	3,380,222,702	2,222,258,581	5,602,481,283
Total Capital work-in-progress (A+B)	19,266,554,990	2,974,612,113	22,241,167,103
Previous year	9,681,030,371	9,585,518,619	19,266,548,990

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.11 Long term loans and advances (Unsecured and considered good unless stated otherwise)		
Capital advance [including Rs. 1,275,558,141 (Previous year Rs. 1,626,481,049) advance to related party (Refer Note 9)]	1,304,262,301	1,655,185,209
Security deposits	438,000	438,000
	1,304,700,301	1,655,623,209
3.12 Other non-current assets (Unsecured and considered good unless stated otherwise)		
Others (including hedging premium)	105,317,140	202,710,378
	105,317,140	202,710,378
3.13 Current Investments		
Mutual Fund (unquoted, at lower of cost and fair value)		
Reliance liquid fund - Direct Daily Dividend Plan [Number of units: Nil (Previous Year: 530,166,880 Units), face value of Rs. 1,000 each]]		810,487,326
Reliance liquid fund - Direct Growth Plan - Growth Option [Number of units: 250,899 (Previous Year: Nil Units), face value of Rs. 1,000 each]]	855,883,513	
	855,883,513	810,487,326
3.14 Cash and bank balances		
Cash and cash equivalents		
Bank balance in current account	44,361,107	886,248,721
Deposit account (with a maturity period of less than 3 month)	130,000,000	320,000,000
	174,361,107	1,206,248,721
3.15 Short term loans and advances (Unsecured and considered good unless stated otherwise)		
Security deposits	14,917,000	16,198,555
Advances recoverable in cash or kind	37,343,433	2,408,697
Prepaid expenses	10,814,399	33,725,400
Loans and advances to employees	37,634	305,744
	63,112,466	52,638,396
3.16 Other current assets (Unsecured and considered good unless stated otherwise)		
Others (including hedging premium)	97,457,436	130,188,956
Interest accrued on deposits with banks	150,262	1,632,426
	97,607,698	131,821,382

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

3.17 Other income	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Gain on sale of investments in mutual fund	589,993	-
Interest income	-	4,493
Dividend income on current investment in mutual fund	50,667,860	34,987,326
	51,257,853	34,991,819

Rajasthan Sun Technique Energy Private Limited**Notes to the financial statements as of and for the year ended March 31, 2015 (continued)**

- 4 The Company has achieved commercial operation date (COD) as per the terms of PPA on November 17, 2014. However, the plant is not yet ready for its intended use as there are certain updates technologically being still done on the plant for generation of power. Consequentially, the same has not been capitalised and the expenditure incurred continues to be carried forwarded as capital work-in-progress.

Further, the Company has filed an application/ petition with CERC for extension of scheduled commissioning date (SCD) as per the terms of PPA, for which the final approval is awaited. Based on the Company's assessment considering the reasons for the delay in start of operations, there would be no financial impact under the terms of PPA due to delay.

5 **Project status**

Significant construction activity at the project site has been completed and the Company is in process of doing necessary technical changes to make the plant ready for its intended use i.e. to achieve its rated capacity. The management expects the plant would be ready for its intended use in the coming year.

6 **Capital commitment**

Estimated amount of contracts (net of capital advance) remaining to be executed on capital account and not provided for as on March 31, 2015 Rs. 48,432,224 (Previous year Rs. 606,070,378).

7 **Details of remuneration to auditors:**

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
As auditors		
For statutory audit	3,000,000	3,000,000
For others	30,000	120,000
Out of pocket expenses	61,732	69,972
Total	3,091,732	3,189,972

8 **Disclosure under Accounting Standard 15 "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
 - Employees' deposit link insurance scheme

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 Capital work-in-progress for the year:

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
(i) Contribution to provident fund and other funds	1,202,244	2,363,798
(ii) Contribution to employees' superannuation fund	127,774	68,000
(iii) Contribution to employees' pension scheme 1995	454,324	367,137
(iv) Contribution to employees' deposit link insurance scheme	113,290	134,567

Defined benefit plans

- (a) Gratuity
- (b) Leave encashment

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

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 independent actuary, as at the Balance Sheet date, based on the following assumptions:

	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
a) Discount rate (per annum)	7.85%	7.85%	8.90%	8.90%
b) Rate of increase in compensation levels	7.50%	7.50%	7.50%	7.50%
c) Expected average remaining period.	9.69 years		9.26 years	

	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
(i) Changes in present value of obligation				
Opening balance of present value of obligation	3,191,283	4,848,392	2,739,063	5,841,357
Liability on transfer of employee (net)			(255,730)	(208,284)
Interest cost	278,827	562,708	242,938	602,951
Current service cost	595,949	1,904,513	499,832	2,020,044
Actuarial (gain)/ loss	(1,886,117)	(4,888,625)	55,578	(3,092,683)
Benefits paid	(782,860)	(267,664)	(90,398)	(314,993)
Closing balance of present value of obligation	1,397,082	2,159,324	3,191,283	4,848,392
(ii) Amounts recognised in the Balance Sheet				
Closing balance of present value of obligation	1,397,082	2,159,324	3,191,283	4,848,392
Unfunded liability recognised in the Balance Sheet	1,397,082	2,159,324	3,191,283	4,848,392
(iii) Expenses recognised in Capital work-in-progress				
Current service cost	595,949	1,904,513	499,832	2,020,044
Interest cost	278,827	562,708	242,938	602,951
Net actuarial (gain)/ loss	(1,886,117)	(4,888,625)	55,578	(3,092,683)
Total expenses recognised in the Capital work-in-progress	(1,011,341)	(2,421,404)	798,348	(469,688)
(iv) Expected employer's contribution for the next year	1,061,347	634,225	1,308,691	860,684
(v) Disclosure as required under Para 120 (n) of AS -15				
				Rupees
Gratuity	2014-15	2013-14	2012-13	2011-12
Present value of the defined benefit obligation	1,397,082	3,191,283	2,739,063	
Fair value of the plan assets				
(Surplus)/ Deficit in the plan	1,397,082	3,191,283	2,739,063	
Experience adjustments				
On plan liabilities	(1,956,791)	289,139		
Total experience adjustment	(1,956,791)	289,139		

	2014-15	2013-14	2012-13	Rupees 2011-12
Leave encashment				
Present value of the defined benefit obligation	2,159,324	4,848,392	5,841,357	1,512,686
Fair value of the plan assets	-	-	-	-
Deficit in the plan	2,159,324	4,848,392	5,841,357	1,512,686
Experience adjustments				
On plan liabilities	(5,044,306)	(2,678,903)	1,779,783	-
Total experience adjustment	(5,044,306)	(2,678,903)	1,779,783	-

There were no employees prior to year 2011-12 hence Para 120 (n) of AS - 15 disclosure is provided for four years.

The actuarial valuation of gratuity liability does not include liability of seconded employees, as the gratuity will be paid by company seconding the employees.

9 Related party disclosures

As per Accounting Standard - 18 "Related Party Disclosures", the Company's related parties and transactions are disclosed below:

A. Parties where control exists:

Holding company

Reliance Power Limited (RPower)

B. Investing parties/ promoters having significant influences on the holding company directly or indirectly

Companies

Reliance Infrastructure Limited (RIInfra)

Individual

Shri Anil D. Ambani

C. Other related parties with whom transactions have taken place during the year/ closing balances existed at the year end:

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

- Reliance General Insurance Company Limited (RGICL)
- Reliance Infocomm Infrastructure Limited (RIIPL)

(ii) Fellow subsidiary:

- Dhursar Solar Power Private Limited (DSPL)
- Rosa Power Supply Company Limited (RPSL)
- Coastal Andhra Power Limited (CAPL)
- Jharkhand Integrated Power limited (JIPL)
- Sasan Power Limited (SAPL)
- Samalkot Power Limited (SMPL)
- Reliance Natural Resources Limited (RNRL)

D Details of transactions during the year and closing balance at the end of the year

Particulars	2014-15	Rupees 2013-14
(i) Transactions during the year		
Legal and professional fees (including shared service charges)		
RPower	5,618,000	5,618,000
Reimbursement of expenses and advance taken		
RPower	12,018,548	13,756,600
CAPL	-	204,518
DSPL	-	88
JIPL	-	7,840
SAPL	10,170	48,734
RNRL	10,685,630	-
Reimbursement of expenses and advance given		
DSPL	1,012,549	103,000
SAPL	50,784	-
RPSL	4,908	-
RPower	-	158,420
SMPL	3,386	-
Material/ service received		
RInfra	731,764,766	7,127,864,454
RIIPL	4,723,828	11,337,186
Insurance premium		
RGICL	86,370	17,938
Share application money received		
RPower	-	1,632,000,000
Inter corporate deposits received		
RPower	1,372,100,000	310,000,000
Inter corporate deposits repaid		
RPower	-	310,000,000
Advances given		
RInfra	-	722,509,493

Particulars	2014-15	Rupees 2013-14
(ii) Closing balances		
Equity share capital (excluding premium)		
RPower	28,563,500	28,563,500
Preference share capital (excluding premium)		
RPower	2,856,350	2,856,350
Inter corporate deposit payable		
RPower	1,372,100,000	-
Other current liabilities		
RInfra	89,645,755	83,531,882
RIIPL	11,134,847	6,412,706
RNRL	10,685,630	-
RPower	-	1,404,359
Retention payable		
RInfra	533,219,678	507,777,679
Capital Advance		
RInfra	1,275,558,141	1,626,481,049
Guarantees issued on behalf of the Company		
RPower	1,147,050,000	1,147,050,000
(iii) The Holding Company has entered into agreements with the lenders of the Company wherein it has committed to extend financial support in the form of equity or debt as per the agreed means of finance, in respect of the project being undertaken, including hedging support, investment support and project cost overrun support.		
(iv) The above disclosure does not include transaction with public utility service providers, viz, electricity, telecommunications in the normal course of business		

10 Earnings per share (EPS)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Net Profit/ (Loss) for the year (A) (Rupees)	34,719,440	(3,007,516)
Weighted average number of equity shares (B)	2,856,350	2,217,083
Basic earnings/ (loss) per share (A/B) (Rupees)	12.16	(1.36)
Weighted average number of potential equity shares on account of conversion of preference shares (C)	31,302	-
Weighted average number of shares for diluted EPS (D=B+C)	2,887,652	2,217,083
Diluted earnings/ (loss) per share (A/D) (Rupees)	12.02	(1.36)
Nominal value of an equity share (Rupees)	10.00	10.00

11 Foreign currency exposure
a) Particulars of derivative instruments

Instrument acquired for hedging	As at March 31, 2015		As at March 31, 2014	
	No. of instruments	Amount (USD)	No. of instruments	Amount (USD)
Interest rate swap	1	17,600,000	1	20,020,000
Cross currency swap	1	14,436,150	1	15,386,000
Forward contract	15	27,930,000	19	35,250,000
Call spread	2	27,500,000	1	20,000,000

No derivative instruments are acquired for speculation purpose

b) Foreign currency exposure not hedged by derivative instrument or otherwise

Sr. No.	Particulars	As at March 31, 2015		As at March 31, 2014	
		Amount in	Amount in	Amount in	Amount in
		USD	Rupees	USD	Rupees
(i)	Borrowings (including interest accrued and due/ but not due and commitment fees accrued and due/ but not due)	175,685,104	10,996,271,207	189,750,110	11,403,943,661
(ii)	Creditor for capital expenditure and retention money payable	5,190,594	324,883,431	5,190,594	311,953,661
(iii)	Premium payable in foreign currency	3,609,840	225,942,773	Nil	Nil

c) Expenditure in foreign currency

Sr. No.	Particulars	Year ended	Rupees
		March 31, 2015	Year ended March 31, 2014
(i)	CIF value of imports		
	Capital goods	-	880,255,088
(ii)	Expenditure in foreign currency		
	Interest and finance charges	720,694,460	875,591,482
	Legal and professional fees	1,076,562	-
	Travelling and conveyance	874,800	2,345,386
	Premium on hedging instruments	251,776,549	-

12 Micro and small scale business entities

Disclosure of 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 regards in respect of payments made during the year or brought forward from previous years.

13 Exchange differences on foreign currency monetary items

The Company has availed the option available with respect to accounting for exchange difference arising on long term foreign currency monetary items in the Companies (Accounting Standards) (Second Amendment), Rules, 2011. Due to exercise of the said option as explained in Note 2(j) above, the Company has adjusted the value of Capital work-in-progress by Rs. 592,808,378 (loss) [(Previous Year Rs 1,029,459,773 (loss))] towards the exchange difference arising on long term foreign currency monetary liabilities.

14 In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the Company has determined its business segment as power generation. Since, there are no other business segments in which the Company operates and the power generated would be sold within India, there are no other primary reportable segments. Therefore the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

15 Consequent to the Companies Act, 2013, being effecting from April 01, 2014, the Company has provided depreciation based useful life as prescribed under Schedule II of the Act. Had the Company continued the earlier accounting policy, depreciation for the year would have been lesser by Rs.13,414,065. (Effect of change in policy in the previous year had the Company continued with the earlier method of depreciation, profit before tax of previous year would have been higher by Rs. 23,852,363 and Capital work-in-progress would have been lower by Rs. 25,974,095.)

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

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements as of and for the year ended March 31, 2015 (continued)

As per our attached report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana
Partner
Membership Number: 109553

Sankaran Srinivasan
Director
DIN Number: 01765310

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Sunil K Agarwal
Director
DIN Number: 03636810

Place: Mumbai

Date: *May 23, 2015*

Place: Mumbai

Date: *May 23, 2015*