

**RELIANCE**

**Power**

# **Annual Report 2015-16**



**Padma Vibhushan**  
**Shri Dhirubhai H. Ambani**  
(28th December, 1932 – 6th July, 2002)  
Reliance Group – Founder and Visionary

# Profile

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

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

RPower presently has 5,945 MW of operational capacity.

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

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

## Mission: Excellence in Power Generation

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

*This Report is printed on environment friendly paper.*

---

# Reliance Power Limited

Board of Directors	Contents	Page No.
Shri Anil Dhirubhai Ambani – Chairman	Letter to Shareowners.....	5
Shri Sateesh Seth	Notice of Annual General Meeting .....	6
Dr. Yogendra Narain	Directors' Report.....	11
Dr. V. K. Chaturvedi	Management Discussion and Analysis .....	30
Shri D. J. Kakalia	Corporate Governance Report .....	36
Smt. Rashna Khan	Auditors' Certificate on Corporate Governance.....	47
	Investor Information .....	48
	Independent Auditors' Report on the	
	Financial Statement.....	56
	Balance Sheet.....	60
	Statement of Profit and Loss.....	61
	Cash Flow Statement .....	62
	Notes to the Financial Statement.....	63
	Independent Auditors' Report on the	
	Consolidated Financial Statement.....	98
	Consolidated Balance Sheet .....	102
	Consolidated Statement of Profit and Loss.....	103
	Consolidated Cash Flow Statement .....	104
	Notes to the Consolidated	
	Financial Statement.....	105
	Statement containing salient features of the financial	
	statement of subsidiary companies .....	145
	Attendance Slip and Proxy Form.....	147
Company Secretary		
Shri Ramaswami Kalidas		
Auditors		
M/s. Chaturvedi & Shah		
M/s. Price Waterhouse		
Registered Office		
H Block, 1 <sup>st</sup> Floor		
Dhirubhai Ambani Knowledge City		
Navi Mumbai 400 710		
CIN: L40101MH1995PLC084687		
Tel : +91 22 3303 1000, Fax: +91 22 3303 3662		
E-mail: reliancepower.investors@relianceada.com		
Website: www.reliancepower.co.in		
Registrar and Transfer Agent		
Karvy Computershare Private Limited		
Unit: Reliance Power Limited		
Karvy Selenium, Tower – B, Plot No. 31 & 32		
Survey No. 116/22, 115/24, 115/25		
Financial District, Nanakramguda		
Hyderabad 500 032		
Website : www.karvy.com		
Investor Helpdesk		
Toll free no. (India) : 1800 4250 999		
Tel. no. : +91 40 6716 1500		
Fax no. : +91 40 6716 1791		
E-mail : rpower@karvy.com		

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

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

Letter to Shareowners



My dear fellow shareowners,

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

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

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

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

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

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

#### Performance Review

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

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

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

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

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

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

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

#### Corporate Governance

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

#### Social Commitments

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

Our projects are operating in areas which are currently in development phase and we continue to contribute towards improving the quality of life of the communities living in these areas. Indeed, we believe that our success in executing large-scale generation projects is critically dependent on following a participatory development-oriented approach that strengthens our bond with the local population.

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

#### Our Commitment

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

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

Anil Dhirubhai Ambani  
Chairman

# Reliance Power Limited

## Notice

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

### Ordinary Business:

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

"RESOLVED THAT M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

### Special Business:

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

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

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

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

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

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

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

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

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

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

Notice

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

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

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

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

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

By Order of the Board of Directors

Ramaswami Kalidas  
Company Secretary

Registered Office:  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN: L40101MH1995PLC084687  
Website: www.reliancepower.co.in

May 27, 2016

**Notes:**

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to items of special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of herself/himself, and the proxy need not be a Member of the Company. The instrument appointing proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not later than forty eight hours before the commencement of the Meeting. A Proxy form is sent herewith.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
4. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. Clause 49 of the Listing Agreement with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period December 1, 2015 to March 31, 2016 are referred to as Listing Regulations in this Annual Report.
9. Relevant documents referred to in the accompanying Notice, are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Meeting. The certificate from the Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's ESOS Plans will be available for inspection at the Meeting.
10. The Company's Register of Members and Transfer Books will remain closed from Saturday, September 17, 2016 to Tuesday, September 27, 2016, (both days inclusive) in connection with the above Meeting.

## Notice

11. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares held in electronic form.
12. Members holding shares in physical form are requested to advise any change of address and other mandates immediately to the Company/Registrar and Transfer Agent, Karvy Computershare Private Limited.
13. As Section 125 of the Companies Act, 2013, has been only partially notified, pursuant to the corresponding Section 205(C) of the Companies Act, 1956, the Company has transferred, the unpaid or unclaimed amounts of the unsuccessful applicants under the Company's IPO made in the year 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government on February 28, 2015. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of the unpaid and unclaimed amounts transferred to the said fund on the website of the Company ([www.reliancepower.co.in](http://www.reliancepower.co.in)) as also on the website of the Ministry of Corporate Affairs.
14. Non-resident Indian Members are requested to inform Karvy Computershare Private Limited immediately on:
  - a. the change in their residential status on return to India for permanent settlement; and
  - b. the particulars of the bank accounts maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
15. Re-appointment / Appointment of Directors  
At the ensuing Annual General Meeting, Dr. V. K. Chaturvedi, Director of the Company retires by rotation under the provisions of the Companies Act, 2013 and being eligible offers himself for re-appointment. The details pertaining to Dr. Chaturvedi pursuant to the requirements of Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the report on Corporate Governance forming part of this Annual Report.  
Dr. Yogendra Narain was appointed as an Independent Director on September 27, 2014 for a term of two consecutive years. As per the Company's Board charter, the retirement age for directors is 75 years. Dr. Narain will attain the age of 75 years by June, 2017. For this reason, keeping in view the Board charter, it is proposed to appoint him for a further term of one year only from the date of coming into effect of this resolution. Dr. Narain is eligible for the appointment and has also given a declaration as to his independence. The details pertaining to Dr. Narain pursuant to Section 152(5) of the Act read with requirements of Listing Regulations, are furnished in the report on Corporate Governance forming part of this Annual Report.
- Dr. V. K. Chaturvedi and Dr. Yogendra Narain are not related to other Directors of the Company.
16. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
17. Members are requested to fill in and submit online the Feedback Form provided in the 'Investor Information' section on the Company's website [www.reliancepower.co.in](http://www.reliancepower.co.in) to aid the Company in its constant endeavour to enhance the standards of service to investors.
18. The Statement containing the salient features of the balance sheet, the statement of profit and loss, cash flow statement and Auditors' Report on the Abridged Financial Statement, is sent to the members, along with the Abridged Consolidated Financial Statement. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.
20. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH 13 duly filled in to Karvy Computershare Private Limited, Karvy Selenium, Tower – B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda, Hyderabad 500 032, or call on Toll free no. (India) : 1800 4250 999, Tel no. : +91 40 6716 1500, Fax no. : +91 40 6716 1791 or on e-mail to [rpower@karvy.com](mailto:rpower@karvy.com). The prescribed form in this regard may also be obtained from Karvy Computershare Private Limited at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.
21. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.
22. Members who have not registered their e-mail addresses so far are requested to do so, so that they can receive the Annual Report and other communication from the Company electronically.
23. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules made there under and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated May 27, 2016 (remote e-voting). A person, whose name is recorded in the register of members



**Notice**

or in the register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. September 20, 2016 only shall be entitled to avail the facility of remote e-voting/voting. Karvy Computershare Private Limited, our Registrar and Transfer Agent will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their votes online from 10.00 A.M. on September 24, 2016 to 5.00 P.M. on September 26, 2016. The Members may refer to the detailed procedure on remote e-voting given in the e-voting instruction slip.

The facility for voting shall also be available at the meeting. The members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their votes again at the meeting.

The Board of Directors have appointed Shri Anil Lohia or in his absence, Shri Rinkit Kiran Uchat, Partners, M/s. Dayal & Lohia, Chartered Accountants as Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of voting will be announced after the meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.reliancepower.co.in](http://www.reliancepower.co.in) and also posted on the website of Karvy Computershare Private Limited.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The details pertaining to Dr. Yogendra Narain, pursuant to the requirements of Section 152 (5) of the Act and Regulation 36(3) of the Listing Regulations are furnished in the report on

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

Corporate Governance forming part of this Annual Report. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made thereunder for such an appointment and that he is independent of the management.

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

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

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

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

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

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

As per the provisions of Section 42 of the Companies Act, 2013 ("the Act") read with the Rules made there under, a Company offering or making an invitation to subscribe to securities on a private placement basis is required to obtain the approval of the Members by way of a Special Resolution. The Act provides that such approval can be obtained once in a year for all the offers or invitations for Non-Convertible Debentures (NCDs) to be issued during the year.

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

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

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

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

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

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V. J. Talati & Company, Cost Accountants (Firm Registration No. R/00213), as the Cost Auditors in respect of its 45 MW Windfarm Power Project at Vashpat, Maharashtra for the financial year ending March 31, 2017, at a remuneration of ₹ 15,000/- (Rupees Fifteen thousand only) excluding service tax and out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the Members of the Company.

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

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

By Order of the Board of Directors

Ramaswami Kalidas  
Company Secretary

Registered Office:  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN: L40101MH1995PLC084687  
Website: [www.reliancepower.co.in](http://www.reliancepower.co.in)

May 27, 2016