

ReLIANCE

Power

Annual Report 2019-20



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

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26th Annual General Meeting on Tuesday, June 23, 2020 at 1.30 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Reliance Power Limited

Notice

Notice is hereby given that the 26th Annual General Meeting of the Members of **Reliance Power Limited** will be held on Tuesday, June 23, 2020 at 01:30 P.M (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), 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, 2020 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, 2020 and the report of the Auditors thereon.
2. To appoint a Director in place of Shri Sateesh Seth (DIN: 00004631), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Special Business:

3. **Payment of remuneration to Cost Auditors for the financial year ending March 31, 2021**

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 other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. V.J. Talati & Co., Cost Accountants (Firm Registration No. R00213) appointed as the Cost Auditors in respect of its 45 MW Wind farm Power Project at Vashpet, Dist. Sangli, Maharashtra, for the financial year ending March 31, 2021, be paid a remuneration of ₹ 15,000/- (Rupees fifteen thousand only) excluding applicable taxes 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
Murli Manohar Purohit
Company Secretary & Compliance Officer

Registered Office:

Reliance Centre, Ground Floor,
19, Walchand Hirachand Marg,
Ballard Estate, Mumbai - 400001
CIN: L40101MH1995PLC084687
Website: www.reliancepower.co.in

May 08, 2020

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the M/s. KFin Technologies Private Limited (Kfintech) the Registrar and Transfer Agents, by email through its registered email address to praveendmr@kfintech.com.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.reliancepower.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Kfintech at www.kfintech.com.
6. Members whose email address are not registered can register the same in the following manner:
 - a. Members holding share(s) in physical mode can register their e-mail ID on the Company's website at <https://www.reliancepower.co.in/web/reliance-power/shareholder-registration> by providing the requisite details of their holdings and documents for registering their e-mail address; and
 - b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.

Notice

7. The Company has engaged the services of M/s. KFin Technologies Private Limited, Registrar and Transfer Agent as the authorised agency (KFintech) for conducting of the e-AGM and providing e-voting facility.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members.
11. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
12. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
13. Re-appointment of Director:

At the ensuing AGM, Shri Sateesh Seth, Director of the Company shall retire by rotation under the provisions of the Act and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

The details pertaining to Shri Sateesh Seth are furnished hereunder:

Shri Sateesh Seth, 64 years, is a Fellow Chartered Accountant and a law graduate. He has vast experience in general management. Shri Sateesh Seth is also on the Board of Reliance Infrastructure Limited, Reliance Defence Limited, Reliance Defence and Aerospace Private Limited, Reliance Defence Systems Private Limited, Reliance Defence Technologies Private Limited and Reliance Airport Developers Limited.

As on March 31, 2020, Shri Sateesh Seth holds 29 shares of the Company. He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.

14. Members are requested to fill in and submit the Feedback Form provided in the 'Investor Relations' section on the Company's website www.reliancepower.co.in to aid the Company in its constant endeavor to enhance the standards of service to investors.
15. Members whose shares / application money due for refund, or interest thereon, has been transferred to the Investor Education and Protection Fund (IEPF), may claim the same by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in, along with fee specified therein.

16. Instructions for attending the AGM and e-voting are as follows:

A. Instructions for attending the AGM:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM at <https://ris.kfintech.com/vc/login2vc.aspx> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM may register themselves at <https://ris.kfintech.com/agmvcspeakerregistration>. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
3. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
4. Members who need technical assistance before or during the AGM, can contact KFintech at <https://ris.kfintech.com/agmq/agmq/login.aspx>.

B. Instructions for e-voting

1. In compliance with the provisions of Section 108 of the Act 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. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. June 16, 2020 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. KFintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from

Notice

10.00 A.M. (IST) on Friday, June 19, 2020 to 5.00 P.M. (IST) on Monday, June 22, 2020. At the end of Remote e-voting period, the facility shall forthwith be blocked.

2. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

3. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

4. The procedure and instructions for e-voting are as follows:

- a. Open your web browser during the remote e-voting period and navigate to "https://evoting.karvy.com".

- b. Enter the login credentials (i.e., user-id and password) mentioned in the communication. Your Folio No. / DP ID No. / Client ID No. will be your User- ID.

User – ID : For Members holding shares in Demat form

For NSDL : 8 Character DP ID followed by 8 Digits Client ID

For CDSL : 16 digits beneficiary ID

User – ID : For Members holding shares in Physical Form:-

Event Number followed by Folio No. registered with the Company

Password : Your unique password is sent via e-mail forwarded through the electronic notice

Captcha : Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons

- c. After entering these details appropriately, click on "LOGIN".

- d. Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). Kindly note that this password can be used by the Demat holders for votings in any other Company on which they are

eligible to vote, provided that the other company opts for e-voting through Kfintech e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- e. You need to login again with the new credentials.

- f. On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.

- g. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and have cast your vote earlier for any company, then your existing login ID and password are to be used.

- h. On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.

- i. After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- j. Once you 'CONFIRM' your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.

5. Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board or governing body Resolution / Authorisation together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to 'evoting@karvy.com' (Details are given in point 4 above). The file / scanned image of the Board Resolution / authority letter should be in the format viz. 'Corporate Name Event no.'.

6. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Tuesday, June 16, 2020.

Notice

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.

7. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://evoting.karvy.com/> to reset the password.
8. The Board of Directors have appointed Shri Anil Lohia, Partner or in his absence Shri Chandrahas Dayal, Partner, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.

The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. 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 and also on the website of Kfintech at <https://evoting.karvy.com/>.

9. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Kfintech's website <https://evoting.karvy.com> or contact toll free no. 1800 4250 999.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated May 8, 2020

Item No. 3 - Payment of remuneration to the Cost Auditors for the financial year ending March 31, 2021

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V.J. Talati & Co., Cost Accountants (Firm Registration No. R00213), as the Cost Auditors in respect of its 45 MW Wind farm Power Project at Vashpet, Sangli District, Maharashtra for the financial year ending March 31, 2021, at a remuneration of ₹ 15,000/- excluding applicable taxes 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 Auditors needs to be ratified by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in this resolution set out in Item no. 3 of the Notice.

Board accordingly recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

By Order of the Board of Directors
Murli Manohar Purohit
Company Secretary & Compliance Officer

Registered Office:
Reliance Centre, Ground Floor,
19, Walchand Hirachand Marg,
Ballard Estate,
Mumbai - 400001
CIN: L40101MH1995PLC084687
Website: www.reliancepower.co.in

May 08, 2020

Reliance Power Limited

Directors' Report

Dear Shareowners,

Your Directors present the 26th Annual Report and the audited accounts for the financial year ended March 31, 2020.

Financial Results

The performance of the Company (Consolidated and Standalone) for the financial year ended March 31, 2020, is summarised below:

₹ in lakhs

Particulars	Financial Year ended March 31, 2020		Financial Year ended March 31, 2019	
	(Consolidated)	(Standalone)	(Consolidated)	(Standalone)
Total Income	8,20,241	33,942	8,53,426	34,496
Profit / (Loss) Before Tax	(4,24,782)	(38,884)	(2,93,404)	(61,418)
Less: Provision for Taxation (Net)	2,366	-	1,778	(1,252)
Profit / (Loss) After Tax	(4,27,148)	(38,884)	(2,95,182)	(60,166)

Dividend

During the year under review, the Board of Directors has not recommended dividend on the Equity Shares of the Company.

Business Operations

During the year 2019-20 all the operating plants of the Company which are functioning through its subsidiary companies were available for generation above 90 % across the year and performed exceedingly well on efficiency parameters.

The Company's Sasan Ultra Mega Power Plant (UMPP) (Capacity 3,960 MW) generated 33,341 Million Units (MUs) and was ranked No. 1 for the second successive year, across all thermal power plants in the country with a Plant Load Factor (PLF) of 95.85% against an all India average of 56%.

The Sasan UMPP is the World's largest integrated power plant with the Moher and Moher Amlohri Extension captive coal mines meeting the fuel requirements of the plant. During the year Sasan Coal Mine handled 87.1 Million CuM including the Overburden at 74.6 Million CuM, making it the biggest mine in the country in terms of the overall volume handled. Sasan mine received 13 prestigious awards across various categories including the one received for the best mining and maintenance practices.

The Rosa Thermal Power plant (1,200 MW) generated 6,041 MUs during the current year, delivering the consistent Year on Year performance. The Rosa power plant received prestigious accolades and awards from prestigious Institutions for excellence in environment, safety, CSR quality and best Operation & Maintenance Practices including the prestigious International safety award from British Safety Council for the year 2020.

The Butibori Thermal plant (600 MW) remained out of operation during the year and company is working on a resolution plan to make the plant operational as soon as possible.

The Solar PV (40 MW) Plant generated 59 MUs during the year. The Solar CSP (100 MW) plant generated 81 MUs and achieved several operating milestones including achievement of peak load of 122.5 MW during the year.

The Company's Wind farm at Vashpet in Sangli District of Maharashtra achieved highest ever annual generation of 87 MUs during the year.

Proposed 718 MW (net) Gas-based Project in Bangladesh

Reliance Bangladesh LNG and Power Limited (RBLPL), the subsidiary of the Company concluded the long-term power purchase agreement (PPA) and other project agreements for 718 MW (net) Power plant at Meghnaghat near Dhaka in Bangladesh. Reliance also inducted a strategic partner JERA Power International (Netherlands) – a subsidiary of JERA Co. Inc. (Japan) to invest 49% equity in the project. Samalkot Power Ltd. has signed an Equipment Supply Contract on March 11, 2020 to sell Equipments of one module for the said Gas-based project in Bangladesh.

Impact of COVID-19 Pandemic

COVID-19 Pandemic has caused unprecedented economic disruption globally and in India. The Company is sensitive about the impact of the Pandemic, not only on the human life but on businesses and industrial activity across the globe, which will be realised only over next few months. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government and local bodies to ensure safety of workforce across all its plants and offices. The Company has made initial assessment of the likely adverse impact on economic environment in general and operational and financial risks on account of COVID-19. Vide notification dated March 24, 2020 issued by Ministry of Home Affairs a nation-wide lockdown was announced to contain COVID-19 outbreak and the same has been progressively extended later. However, Power generation, transmission & distribution units, being essential services, are allowed to continue operation during the period of lockdown. So far, the Company has been able to sustain its power plant operations and honour commitments under the various Power Purchase Agreements. There has been a sharp decline in the electricity demand, by 20 to 25%, primarily from industrial and commercial consumer segments, arising from lockdown measures announced by the Government. The Power Ministry has clarified on April 6, 2020 that despite lower power offtake due to sharp reduction in demand, Discoms will have

Directors' Report

to comply with the obligation to pay fixed capacity charges as per PPA. Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal installments falling due to Indian banks and financial institutions till May 31, 2020. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, evolving impact on Discoms in terms of demand for electricity; consumption mix; resultant average tariff realisation; bill collections from consumers; and support from respective State Governments and banks & financial institutions, including those focused on power sector financing.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), is presented in a separate section forming part of this Annual Report.

Non-Convertible Debentures (NCDs)

The Company has not carried out any fresh issue of NCDs in the current financial year. The Company has Listed, Secured, NCDs aggregating to ₹ 79,500 lakhs outstanding as on March 31, 2020 and as on that date there was default in the payment of interest to the extent of ₹ 8,479 lakhs.

Resources and Liquidity

The Company has incurred losses during the year resulting in delay/default in repayment to its lenders. The Company has been in discussion with its lenders for resolution. The Company is confident of meeting its obligations by generating sufficient and timely cash flows through time bound monetisation of its assets, as also realize amount from regulatory / arbitration claims. Notwithstanding the dependence on these material uncertain events, the Company is confident that such cash flows would enable it to service its debt and discharge its liabilities in the normal course of its business.

Deposits

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

Particulars of Loans, Guarantees or Investments

Pursuant to the provisions of Section 186 of the Act, the details of Investments made are provided in the standalone financial statements under Note 3.3(a). The Company has complied with provisions of Section 186 of the Act, to the extent applicable with respect to Loans, Guarantees or Investments during the year.

Subsidiary and Associate Companies

As on March 31, 2020, the Company had 38 subsidiaries under its fold. During the year, Six Companies i.e. Amulin Hydro Power Private Limited, Emini Hydro Power Private Limited, Mihundon Hydro Power Private Limited, Sumte Kothang Hydro Power Private Limited, Lara Sumta Hydro Power Private Limited and Purthi Hydro Power Private Limited, ceased to be the subsidiaries of the Company in view of their amalgamation with Reliance Cleangen Limited.

The Company had the following Associate Companies as on March 31, 2020:

1. RPL Sun Power Private Limited
2. RPL Photon Private Limited
3. RPL Sun Technique Private Limited

The operating and financial performance of the major subsidiary companies, has been covered in the Management Discussion and Analysis Report forming part of this Annual Report. The financial results of the subsidiary companies have been consolidated with those of the parent company. The Company's policy for determining material subsidiaries, as approved by the Board, may be accessed on the Company's website at the link https://www.reliancepower.co.in/documents/2181716/2364859/Policy_for_Determining_Material_Subsiary-new.pdf.

Financial Statements - Application of the Companies (Indian Accounting Standards) Rules, 2015

The audited financial statements of the Company drawn up both on standalone and consolidated basis, for the financial year ended March 31, 2020, are in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules").

Consolidated Financial Statements

The Audited Consolidated Financial Statements for the financial year ended March 31, 2020, have been prepared, in accordance with the Ind AS Rules and relevant provisions of the Act, from the duly approved Financial Statements of subsidiaries and Associates by their respective Board of directors.

Directors

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

The details of programme for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are uploaded on the website of the Company at the link: <https://www.reliancepower.co.in/web/reliance-power/corporate-governance>.

In terms of the provision of the Act, Shri Sateesh Seth (DIN: 00004631) Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM. A brief resume of Shri Sateesh Seth, along with requisite details, as stipulated under regulation 36(3) of the Listing Regulations is given in the section on Corporate Governance Report forming part of this Annual Report.

Key Managerial Personnel (KMP).

Shri Shrenik Vaishnav, has resigned as the Chief Financial Officer (CFO) of the Company with effect from March 31, 2020 from the close of business hours.

Shri Sandeep Khosla has been appointed as the CFO with effect from April 1, 2020.

Evaluation of Directors, Board and Committees

The Nomination and Remuneration Committee (NRC) of the Board of the Company has devised a policy for

Directors' Report

performance evaluation of the individual directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the directors as well as Committees of the Board. The Board's performance was evaluated based on inputs received from all the Directors, Board's composition and structure, effectiveness of the Board, performance of the Committees, processes and information provided to the Board, etc.

The NRC has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors, etc.

Policy on Appointment and Remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The NRC of the Board has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Committee has formulated the criteria for determining the qualifications, positive attributes and independence of Directors, which has been put up on the Company's website <http://www.reliancepower.co.in> and the same is also attached as Annexure - A.

Directors' Responsibility Statement

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

- i. In the preparation of the annual financial statement, for the financial year ended March 31, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statements for the financial year ended March 31, 2020 on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into/ by the Company during the financial year under review with

related parties were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions, which could have potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions, which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted, were reviewed and statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website at the link https://www.reliancepower.co.in/documents/2181716/2364859/Policy_for_Related_Party_Transaction-new.pdf.

Your Directors draw attention of the members to Note no. 11 to the financial statement, which sets out related party disclosures.

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

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the close of the financial year till the date of this Report.

Meetings of the Board

The Company held four board meetings during the year, the details of meetings and their respective attending Directors are given in the Corporate Governance Report.

Audit Committee

Audit Committee of the Board consists of Independent Directors namely Shri K Ravikumar (Chairman), Shri D.J. Kakalia and Smt. Rashna Khan. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Auditors and Auditors' Report

M/s. Pathak H.D. & Associates LLP, Chartered Accountants was appointed as the Auditors of the Company for a term of 5 (five) consecutive years, at the AGM of the Company held on September 27, 2016. The Company has received letter from M/s. Pathak H.D. & Associates LLP, Chartered Accountants that they are not disqualified from continuing as the Auditors of the Company.

The Auditors in their report of Consolidated Financial Statements have given a qualified opinion, in response to which the Company stated that it has been legally advised that the clarification issued and observation *inter-alia* made regarding method of estimating depreciation adopted for preparing standalone financial statements of the subsidiaries and for preparing consolidated financial statements by Ind AS Transition Facilitation Group (ITFG) of Ind AS Implementation Committee of the Institute of the Chartered Accountants of India (the ICAI) will not be applicable to it, as the Company has been following different methods of depreciation in subsidiaries and in Consolidated Financial Statements since inception and as required by Ind AS 101 read with Ind AS 16 has continued the methods of providing depreciation even under Ind AS regime. The Parent Company accordingly continued to provide depreciation in its Consolidated Financial Statements by straight line method, which is different as compared to the written down value method considered appropriate by two of its subsidiaries.