Reliance Power Limited
CIN: L40101MH1995PLC084687

Reliance Centre, Near Prabhat Colony, Off Western Express Highway, Santacruz (East)
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September 17, 2020

National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Sandra (East)
Mumbai400 051
NSE Symbol : RPOWER

Dear Sirs,

Re: Clarification for Financial results – RPOWER

Dear Sir,

This is with reference to the captioned subject, please find below the point wise reply:

1. Consolidated Financial Results for the year ended March 31, 2020

   The Auditors of the Company has given qualified opinion to the consolidated Financial Statements and hence, the company has filed the Statement of Impact of Audit Qualifications on Consolidated Financial Statement. (Statement is attached as Annexure -1)

2. Standalone Financial Results for the year ended March 31, 2020

   The Auditors of the Company has not given any qualified opinion to the standalone Financial Statements and we hereby submit a declaration of an unmodified opinion with regards to same.

Hope the above clears the discrepancies at your end.

We further request you to kindly take the same on record.

Yours faithfully

For **Reliance Power Limited**

MM Purohit

Murli Manohar Purohit
Vice President - Company Secretary &
Compliance Officer

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results -

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) quoted in II (a) (Rs. in Lakhs)
	1.	Total Income	820,241	820,241
	2.	Total Expenditure (including exceptional items)	1,243,412	1,321,696
	3.	Net Profit/(Loss) after tax	(407,659)	(461,518)
	4.	Earnings Per Share	(14.533)	(16.453)
	5.	Total Assets	5,334,290	5,256,006
	6.	Total Liabilities	4,012,124	4,012,124
	7.	Net Worth	1,322,166	1,268,307
	8.	Depreciation and amortization expense	83,630	161,914

II **Audit Qualification (each audit qualification separately):**

a) Details of Audit Qualification:

We refer to Note 13 to the consolidated annual financial results, regarding method of depreciation adopted by the Parent Company for the purpose of preparing its consolidated financial results being different from the depreciation method adopted by its subsidiaries which is a departure from the requirements of Ind AS 8 *Accounting Policies, Changes in accounting estimates and errors* since selection of the method of depreciation is an accounting estimate and depreciation method once selected in the standalone financial statements is not changed while preparing consolidated financial statements in accordance with Ind AS 110 *Consolidated Financial Statements*. Management's view in this regard has been set out in the aforesaid note.

Had the method of depreciation adopted by the subsidiaries of the Parent Company, been considered for the purpose of preparation of consolidated financial statements of the Parent Company, the loss after tax in the consolidated annual financial results would have increased by Rs.53,859 Lakhs and other equity and property, plant and equipment would have reduced by Rs. 53,859 lakhs and Rs. 78,284 lakhs respectively.

b) Type of Audit Qualification : Qualified Opinion

c) Frequency of qualification: coming since March 31, 2019

d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Management views is set out in the Note 10 to the Consolidated Financial result, which is reproduced below :

Ind AS Transition Facilitation Group (ITFG) of Ind AS implementation Committee of the Institute of the Chartered Accountants of India (the "ICAI") has issued clarification on July 31, 2017 and has interalia made observations regarding method of estimating depreciation adopted for preparing standalone financial statements of the subsidiaries and for preparing consolidated financial statements. The Parent Company has received opinions from reputed legal and

RELIANCE POWER LIMITED

PATHAK H.D. & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

	accounting firms and technical experts from the power sector stating that clarification issued by ITFG will not be applicable to it, as the Parent Company has been following different depreciation methods in subsidiaries and in Consolidated Financial Statements since inception and as required by Ind AS 101 read with Ind AS 16 has continued their respective 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.
	e) **For Audit Qualification(s) where the impact is not quantified by the auditor:** Nil
	(i) **Management's estimation on the impact of audit qualification:** NA
	(ii) **If management is unable to estimate the impact, reasons for the same:** NA
	(iii) **Auditors' Comments on above:** NA

III.	**<u>Signatories:</u>**	
	K Rajagopal (Whole Time Director & CEO)	
	Sandeep Khosla (Chief Financial Officer)	
	K Ravikumar Audit Committee Chairman*	Present in the meeting through audio visual means.
	Statutory Auditors For **Pathak H. D. & Associates LLP** *Chartered Accountants* Firm's Registration No: 107783W/W100593 **Vishal D Shah** *Partner* Membership No: 119303 UDIN: 20119303AAAABQ3122	PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS
	Place: Mumbai	
	Date: May 8, 2020	

RELIANCE POWER LIMITED