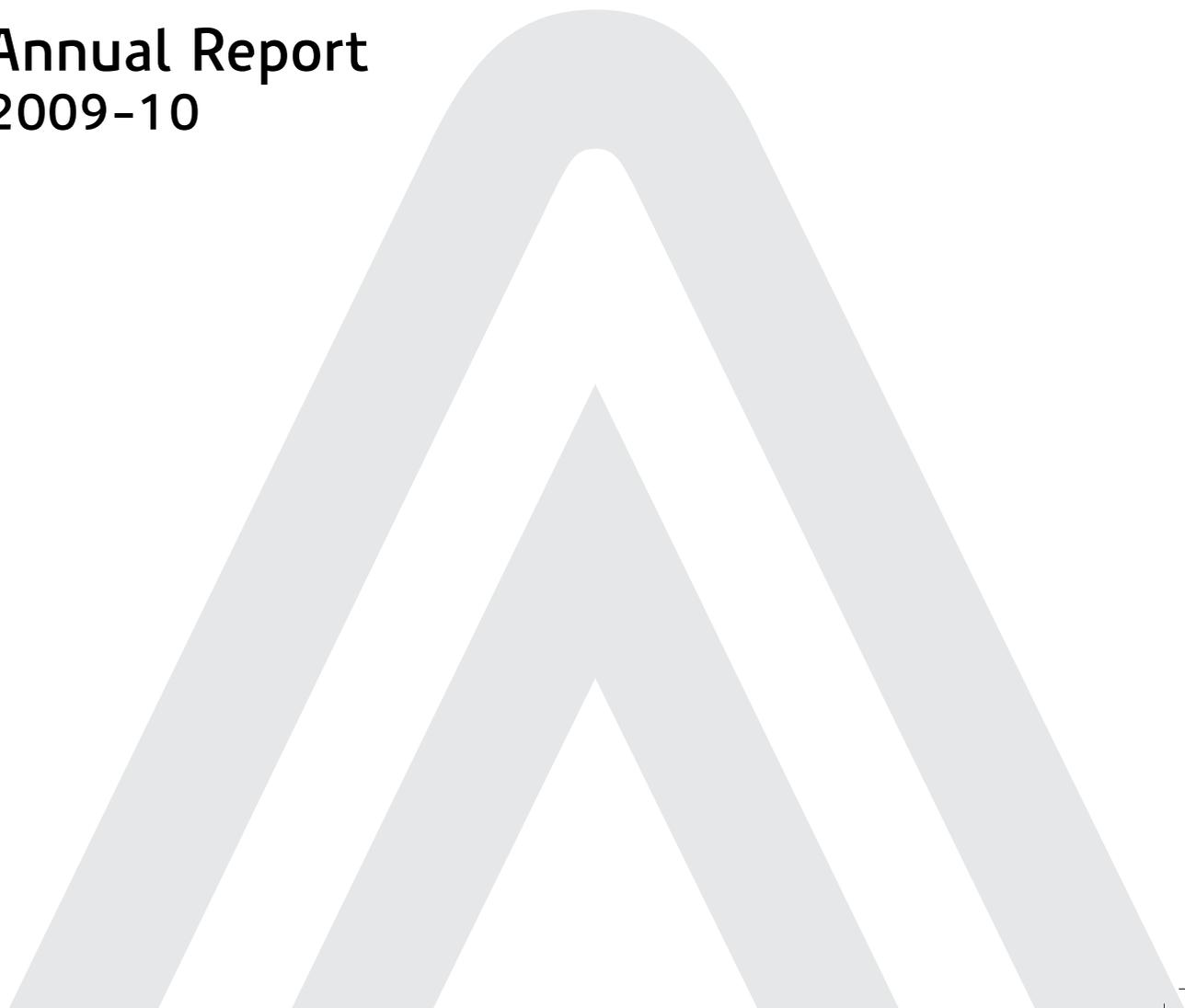


RELIANCE Power
Anil Dhirubhai Ambani Group

Annual Report
2009-10





Dhirubhai H. Ambani

(28th December, 1932 - 6th July, 2002)

Reliance Group - Founder and Visionary

Profile

Reliance Power Limited (RPower) is a part of the Reliance Anil Dhirubhai Ambani Group, one of the India's largest business houses.

RPower is engaged in the development, construction and operation of power generation projects with a combined planned capacity of about 35,000 MW, the largest portfolio of private power generation assets under development in India.

The Company has the unique distinction of securing three out of four Ultra Mega Power Projects (UMPPs) awarded by the Government of India on the basis of tariff based competitive bidding at Sasan in Madhya Pradesh, Krishnapatnam in Andhra Pradesh and Tilaiya in Jharkhand.

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

RPower strongly believes in clean green power and our projects 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.

Reliance Power Limited

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Company Secretary and Manager
Shri Paresh Rathod

Auditors
M/s Price Waterhouse
M/s Chaturvedi & Shah

Registered Office
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Maharashtra, India

Registrar and Transfer Agent
Karvy Computershare Private Limited
Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13C, Madhapur Village
Hyderabad 500 081. Andhra Pradesh, India
website : www.karvy.com

Investor Helpdesk
Toll free no. (India) : 1800 4250 999
Telephone nos. : +91 40 4433 8100
: +91 40 4030 8000
Fax no. : +91 40 2342 0859
Email : rpower@karvy.com
Post your request: http://kcpl.karvy.com/adag

**Sixteenth Annual General Meeting on Tuesday, September 28, 2010 at 10.00 a.m.
at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020**

The Annual Report can be accessed at www.reliancepower.co.in

Letter to Shareowners



**"We are not just about scale and size
we are also about the pursuit of excellence,
the integrity of our values and the quality of our services."**

- Anil Dhirubhai Ambani

My dear fellow shareowners,

It gives me great pleasure to share with you the highlights of our Company's performance in the last one year.

Our Company has achieved significant milestones over the last twelve months. During this time, we operationalized our first greenfield generation project, made significant strides in securing fuel sources for other projects, and put construction activities for a number of others in a fast-track mode.

The first phase of 1200 MW Rosa project located at Shahjahanpur in Uttar Pradesh, commenced generation of power in December 2009, and has since started the sale of power to the consumers. This is a significant milestone for Reliance Power, marking its transition from a project development Company to a Company with operating assets.

Following the start of our commercial operations, it was thought appropriate that Reliance Power should bring the power generation portfolio of the Group under one roof, by acquiring 433 MW of power generation assets from Reliance Infrastructure Limited. The assets comprise three gas-based power projects, a 220 MW plant located at Samalkot in Andhra Pradesh, a 165 MW plant situated at Kochi in Kerala and a 48 MW plant located at Zuarinagar in Goa. All three plants have significant potential for brown field capacity expansion. With this acquisition and the commissioning of Phase I Rosa Power Project, our Company will have over 1,000 MW operating capacity in its portfolio.

The speedy and efficient execution of our projects remains a key priority. We have made exceptional progress in this regard, particularly with respect to financing. The Company has recently achieved the financial closure for its 4,000 MW Krishnapatnam Ultra Mega Power Project (UMPP) in Andhra Pradesh with a total project cost of Rs. 17,500 crore. This development was preceded by the financial closure of the Sasan UMPP, the most ambitious debt raising initiative ever in the history of corporate India. The over Rs 14,550 crore (US\$ 3 bn) raised for Sasan UMPP is to date the largest debt financing transaction in India on a project finance basis. In fact, during the last financial year, the Company achieved financial

closure for 4,860 MW of generation capacity and raised over Rs 18,600 (approximately US\$ 4 bn) of debt for 3 projects viz the Sasan UMPP, Rosa Phase 2 and Butibori Power Projects. Following the financial closure of the Krishnapatnam UMPP, nearly one-third or 10,000 MW of the Company's portfolio of power projects have successfully achieved financial closure. We are also in the process of achieving financial closure for our 3,960 MW Chitrangi Power Project and loan sanctions have already been obtained for the majority of the debt requirement.

We believe that the timely availability and the cost of fuel are two of the biggest challenges facing the power generation sector. Hence, we have taken considerable care to secure fuel supplies both for our domestic and imported coal-based projects. We have also tried to minimize our dependence on external parties for supplies.

With the transfer of Tilaiya UMPP and its coal mines to the Company, Reliance Power has today over two billion tonnes of coal reserves, making it the largest private sector coal mining Company in India in terms of reserves. The Company has also purchased three coal mines in Indonesia to support its imported coal-based project at Krishnapatnam.

On the project development front, all the projects of the Company are at various stages of construction and development. Engineering, Procurement and Construction (EPC) contracts have been awarded for coal-based generation capacity at Sasan, Krishnapatnam, Rosa, Butibori and Chitrangi and construction is proceeding apace.

With regard to gas based power projects, we are working, in addition to Dadri and Shahapur, on a number of other locations, keeping in mind factors like source of gas and logistics.

The Board of Directors of Reliance Power and Reliance Natural Resources Limited (RNRL) approved a Composite Scheme of Arrangement for the two companies in a 4:1 share swap deal valued at Rs 50,000 crore (US\$ 11 bn). This Arrangement will help Reliance Power derive substantial benefits from RNRL's Gas Supply Master

Reliance Power Limited

Letter to Shareowners

Agreement (GSMA) with Reliance Industries Limited. The Arrangement will also help the Company in procuring gas from the 4 Coal Bed Methane (CBM) blocks already owned by RNRL. The Company also stands to benefit through RNRL's coal supply logistics and shipping business.

Having come closer to securing a gas supply contract, we are now poised to start construction activities for our gas-based projects.

Our hydroelectric portfolio is at varying stages of development and detailed project reports are currently being prepared for each one of them. Meanwhile, site activities have already commenced at Siyom and Tato as the Detailed Project Reports (DPRs) for these projects have already been prepared.

Performance Review

A snapshot of the Company's consolidated financial performance during FY09-10 is provided below for your reference are:

- Total income of Rs 843.38 crore as compared to Rs 360.38 crore in the previous year
- Net profit of Rs 683.89 crore as compared to Rs 244.51 crore in the previous year
- Earnings per share (EPS) of Rs 2.85 as compared to Rs 1.02 in the previous year.

Corporate Governance

In keeping with our Group ethos, we remain committed to maintaining the highest standards of corporate governance and would continue to work in a transparent and professional manner to create value for all our stakeholders. The trust and welfare of our 3.5 million shareholders, the largest shareholder family in the world, is of singular importance to us and we are committed to preserve, protect and enhance it.

Social Commitments

We are a socially responsible organization that is wedded to the idea of sustainable development through conservation of natural resources, and the economic and social development, and empowerment of underprivileged communities.

In order to achieve these objectives, we have made significant outlays in healthcare, education and livelihood opportunities for local communities.

We are working on designing our power generation plants in a manner that optimizes the utilization of land, thereby bringing down the aggregate land requirement and minimizing the potential for disruption and displacement of local communities. We are also adopting modern technologies related to power generation, that require much less water for plant operations, thereby helping conserve a precious natural resource and contributing to a greener and healthier environment.

As part of our efforts to reduce the release of greenhouse gases into the environment, we are adopting state-of-the-art super critical technology for our UMPPs and other thermal power generation plants, minimizing the environmental impact of these projects.

We are acutely mindful of our responsibilities in the development of areas where our projects are located, particularly since many of these regions have yet to bear the fruits of development. It will always be our mission to contribute towards improving the quality of life of the communities living around our project sites. 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.

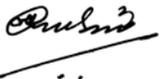
Our Commitment

Our Company takes pride in being a part of the Reliance Anil Dhirubhai Ambani Group, which ranks among India's top business houses. This association would continue to shape our vision and values. At Reliance Power, we believe in maximizing shareholders' value, and in benchmarking ourselves to the best global standards.

We make every effort to ensure that our projects are based on efficient and environment friendly technologies. This strategy gives us a long-term competitive edge over our other peers in the sector.

The last financial year was a watershed year for us, marking our evolution as a Company with generating assets. The year ahead will be, if anything, even more challenging and rewarding.

As ever, I seek your whole-hearted support and encouragement in this exciting journey.


Anil Dhirubhai Ambani
Chairman

Notice

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Reliance Power Limited will be held on Tuesday, September 28, 2010 at 10.00 a. m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, to transact the following business:

Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K H Mankad, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr Yogendra Narain, who retires by rotation 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 with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) and M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), be and are hereby appointed as 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. To consider and, if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to all such sanctions, as may be necessary, the consent of the Company be and is hereby accorded

to the re-appointment of Shri K H Mankad as the Whole-time Director of the Company for a period of 2 (two) years commencing from November 7, 2010 on the terms and conditions including remuneration set out in the Agreement to be entered into between the Company and Shri K H Mankad, a draft whereof was placed before this Meeting which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this resolution) to alter and vary the terms and conditions including remuneration of the said re-appointment and/or Agreement, as may be agreed to between the Board and Shri K H Mankad, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of Shri K H Mankad, as Whole-time Director, the remuneration and perquisites set out as aforesaid be paid or granted to him as minimum remuneration and perquisites provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the applicable ceiling limit in terms of Schedule XIII to the said Act as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds, matters and things 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

**Paresh Rathod
Company Secretary and Manager**

Registered Office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
May 15, 2010

Notes

1. **A Member entitled to attend and vote at the Annual General Meeting (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 a proxy should, however, be deposited at the registered office of the Company not less than 48 (forty eight) hours before the commencement of the Meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Meeting.
3. Members/proxies should fill in the attendance slip for attending the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
4. 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.
5. Members who hold share(s) 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.
6. 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 in terms of the SEBI (Employees Stock Option Scheme and

Notes

- Employees Stock Purchase Scheme) Guidelines, 1999 for the Company's ESOS Plans will be available for inspection at the Meeting.
7. The Company's Register of Members and Transfer Books will remain closed from Wednesday, the September 15, 2010 to Tuesday, the September 28, 2010 (both days inclusive).
 8. Non-resident Indian Members are requested to inform Karvy Computershare Private Limited immediately on :
 - a. the change in the residential status on return to India for permanent settlement.
 - b. the particulars of the bank accounts maintained in India with complete name of Bank, branch, account type, account number and address of the bank, if not furnished earlier.
 9. Re-appointment of directors; At the ensuing Meeting, Shri K H Mankad and Dr Yogendra Narain, directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The details pertaining to these directors required to be provided pursuant to Clause 49 of the listing agreement are furnished in the statements on Corporate Governance forming part of this Annual Report.
 10. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
 11. Pursuant to circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated April 26, 2007, issued by the Securities and Exchange Board of India, the statement containing the salient features of the balance sheet, profit and loss account and auditors' report (Abridged Financial Statements), is sent to the Members along with the Abridged Consolidated Financial Statements. Any member interested in obtaining a copy of the Full Annual Report, may write to the Registrar and Transfer Agent of the Company.
 12. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated May 15, 2010

Item No. 5 - Re-appointment of Shri K H Mankad, as Whole-time Director

Shri K H Mankad was appointed as Whole-time Director of the Company for a period of 3 (three) years with effect from November 7, 2007. The Nomination / Remuneration Committee and the Board, subject to approval of the members in the general meeting and the central government, if required, and pursuant to the provisions of the Articles of Association of the Company, have approved re-appointment of Shri K H Mankad as Whole-time Director for a period of 2 (two) years with effect from November 7, 2010.

The remuneration payable to and the terms of appointment of Shri K H Mankad during the tenure of his appointment for a period of 2 (two) years would comprise salary, allowances and perquisites, the aggregate monetary value of such salary, allowances and perquisites being limited to Rs 30 lakh per annum.

The perquisites and allowances payable to Shri K H Mankad, subject to aforesaid limits, will include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and his dependant family member(s), club fees (not including admission fee), medical insurance, the Company's contribution to provident fund, superannuation or annuity fund, gratuity and such other perquisites and / or allowances, within the amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income-tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). In addition, he shall be entitled to encashment of leave at the end of the tenure as per the rules of the Company. In addition to the above, Shri K H Mankad shall also be eligible to an annual increment not exceeding 25% on the last drawn salary, perquisites and

allowances during the tenure as Whole-time Director as may be approved by the Nomination/Remuneration Committee and/or the Board.

The terms and conditions set out for appointment and payment of remuneration herein and / or in the agreement to be entered into between the Company and Shri Mankad may be altered and varied from time to time by the Board as it may, at its discretion, deem fit within the overall ceiling fixed herein.

The aforesaid Agreement may be terminated by either party (Company or the Whole-time Director) by giving one month prior notice of termination in writing to the other party.

The draft Agreement to be entered into between the Company and Shri K H Mankad is available for inspection 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 ensuing Annual General Meeting. The terms and conditions mentioned herein may also be treated as an abstract under Section 302 of the Companies Act, 1956.

The Board of Directors, accordingly, recommends the resolution set out at Item no. 5 of the accompanying Notice for the approval of the Members.

Shri K H Mankad, Whole-time Director may be deemed to be concerned or interested in the resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

**Paresh Rathod
Company Secretary and Manager**

Registered Office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
May 15, 2010

Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the Sixteenth Annual Report and the audited accounts for the financial year ended March 31, 2010.

Financial Results

The standalone performance of the Company for the financial year ended March 31, 2010 is summarised below;

Particulars	Financial Year ended March 31, 2010		Financial Year ended March 31, 2009	
	Rs in million	US \$ in million**	Rs in million	US \$ in million**
Total Income	3,880.73	85.97	3,347.16	65.99
Profit before tax	2,889.38	64.01	2,564.74	50.57
Less: Provision for taxation				
Current tax	156.80	3.47	71.00	1.40
Fringe benefit tax	-	-	4.60	0.09
Wealth Tax	0.25	0.01	0.10	-
Profit after tax	2,732.33	60.53	2,489.04	49.07
Balance of Profit brought forward from previous period	3,435.88	76.12	946.84	18.67
Balance carried to Balance Sheet	6,168.21	136.65	3,435.88	67.74

* Figures of previous year have been regrouped and reclassified, wherever required.

** Rs 45.14 = US \$ 1 Exchange rate as on March 31, 2010 (Rs 50.72 = US \$ 1 as on March 31, 2009)

Financial Performance

During the year under review, your Company earned an income of Rs 3,880.73 million, against Rs 3,347.16 million in the previous year. The Company earned Profit after tax of Rs 2,732.33 million as compared to Rs 2,489.04 million in the previous year. Shareholders equity (Net worth) increased to Rs 1,40,660.43 million from Rs 1,37,928.10 million in the previous year.

Business Operations

The Company is engaged in the development, construction and operation of power generation projects with a combined planned outlay of about 35,000 MW, the largest portfolio of private power generation assets under development in India.

The Company is currently developing 16 large and medium sized power projects which are planned to be diverse in geographic location, fuel type, fuel source and off-take, and each project is strategically located near an available fuel supply or load center. The identified project sites are located across all regions of India with the majority of the capacity in North and Western India. They include coal-fired projects to be fueled by reserves from captive mines and supplies from India and abroad, gas-fired projects to be fueled primarily by reserves from the Krishna Godavari Basin, and hydroelectric projects in Arunachal Pradesh and Uttarakhand. The Company has bagged three Ultra Mega Power Projects (UMPPs) (Sasan, Krishnapatnam and Tilaiya) out of the four UMPPs awarded by the Government of India till date.

The fuel supply for all the projects has been tied up. Coal linkages have been allocated for domestic coal based projects. The Company has domestic coal reserves of over 2 billion tonnes, the highest held by any private sector company in India. The Company is expected to become the largest private sector coal mining company in India once the captive coal mines become operational. The Company has also acquired coal mines in Indonesia for its imported coal based projects.

The Company plans to sell the bulk of the power generated through long term Power Purchase Agreements (PPAs) with distribution companies through competitive bidding process. The Company has also entered into long term contracts with industrial consumers to supply power.

The Company strongly believes in clean and green power and the projects will be using technologies with minimum environmental impact, resulting in higher carbon credits.

Dividend

Your Directors have not recommended any dividend on equity shares for the year under review.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is presented in a separate section forming part of the Annual Report.

Reliance Power Limited

Directors' Report

The Company has entered into various contracts in the areas of power business. While benefits from such contracts will accrue in the future years, their progress is periodically reviewed.

Subsidiary Companies

During the year under review, Amulin Hydro Power Private Limited, Emini Hydro Power Private Limited, Mihundon Hydro Power Private Limited and Jharkhand Integrated Power Limited became the subsidiaries of the Company.

In terms of the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the balance sheet, profit and loss Account, Report of the board of directors and auditors of the subsidiaries have not been attached with the balance sheet of the Company. However, these documents will be made available upon request by any member of the Company. As directed by the Central Government, the financial data of the subsidiaries has been furnished under 'Financial Information of Subsidiary Companies', which forms part of the Annual Report. The annual accounts of the Company including that of subsidiaries will be kept for inspection by any member. Further, pursuant to Accounting Standard-21 (AS-21) prescribed under the Companies (Accounting Standards) Rules, 2006, Consolidated Financial Statements presented by the Company include Financial Information of its subsidiaries.

Employee Stock Option Scheme

During the year under review, the Company has not granted any options under the Employee Stock Option Scheme (ESOS / Scheme). However, pursuant to the approval accorded by the Shareholders on September 30, 2007 under Section 81(1A) of the Companies Act, 1956, the Company has administered and implemented ESOS in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Guidelines). On May 8, 2010, the ESOS Compensation Committee had approved to grant up to 2,00,00,000 Options exercisable into equal number of fully paid-up equity shares of the Company to eligible employees of the Company, and its subsidiaries in accordance with the Scheme. None of the employees have been granted Options in excess of 1% of the issued equity share capital of the Company.

The Company has received a certificate from the auditors of the Company that the ESOS has been implemented in accordance with the Guidelines and as per the resolution passed by the members of the Company authorising issuance of ESOS.

Fixed Deposits

The Company has not accepted any fixed deposits during the year under review.

Directors

In terms of the provisions of the Companies Act, 1956, Shri K H Mankad and Dr Yogendra Narain, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

A brief resume of these Directors retiring by rotation at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of companies in which they hold directorship and/or membership/ chairmanships of Committees of the Board, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India, is given in the section on Corporate Governance forming part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the annual accounts for financial year ended March 31, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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, 2010 and of the profit of the Company for the year under review;
- 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts for financial year ended March 31, 2010 on a 'going concern' basis.

Group

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices ('MRTP') Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiary companies, as approved by their respective board of directors, have been prepared in accordance with the Accounting Standard (AS-21) on "Consolidated Financial Statement" notified under Section 211(3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, as applicable.

Directors' Report

Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

The observations and comments given by Auditors in this report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure – A forming part of this Report.

Corporate Governance

The Company has adopted the "Reliance Anil Dhirubhai Ambani Group–Corporate Governance Policies and Code of Conduct" which has set out the systems, processes and policies conforming to international standards. The report on Corporate Governance as stipulated under Clause 49 of the listing agreement with the Stock Exchanges, forms part of the Annual Report.

A Certificate from the Auditors of the Company M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, conforming compliance with conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, financial institutions, government authorities, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff of the Company, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors



**Anil Dhirubhai Ambani
Chairman**

Mumbai
May 15, 2010

Reliance Power Limited

Annexure -A

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the financial year ended on March 31, 2010:

- (a) **Conservation of Energy:** Since the Company has presently not undertaken any manufacturing activity, the particulars with respect to conservation of energy are not applicable. Company is making all efforts to conserve energy. The Company monitors energy costs and periodically reviews the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
- (b) **Technology Absorption:** The Company continuously makes efforts towards research and developmental activities and has been constantly active in harnessing and tapping the latest and best technology in the industry.
- (c) **Foreign Exchange Earnings and Outgo:**

Total foreign exchange earnings and outgo for the financial year is as follows:

- a. Total Foreign Exchange earnings : Nil (Previous year Nil)
- b. Total Foreign Exchange outgo : Rs 26.62 million (Previous year Rs 53.48 million)

Auditors' Certificate on Corporate Governance

To

The Members of Reliance Power Limited

We have examined the compliances of the conditions of Corporate Governance by **Reliance Power Limited** ('the Company') for the year ended March 31, 2010, as stipulated in Clause 49 of the listing agreements of the Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreements.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Price Waterhouse

Chartered Accountants

Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No: 101720 W

Partha Ghosh

Partner

Membership No. 55913

C D Lala

Partner

Membership No. 35671

Place: Mumbai

Date : May 15, 2010

Management Discussion and Analysis

Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include cost of fuel, determination of tariff, other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the Indian GAAP, the provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act read with the Companies (Accounting Standards) Rules, 2006. The management of Reliance Power Limited ("Reliance Power" or "the Company") accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profits for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance" or "RPower" or "Reliance Power" are to Reliance Power Limited and/or its subsidiary companies.

Economic outlook

If the recent economic indicators are any indication, global economic recovery process is well on track. Unprecedented government intervention and exceptionally large interest rate cuts by central banks in advanced and emerging economies have contributed a lot to pull the global economy out of the recession.

India has weathered the economic crisis quite well and emerged from the global slowdown much faster than the developed economies. As the economic pace is picking up, India has staged a comeback from the lows of last year and industrial growth has seen a significant growth over the last one year. Financial markets posted strong gains fueled by huge amount of capital inflows. Swift fiscal and monetary stimulus, an improving global environment, the return of investor risk appetite and large capital inflows combined to help the economy grow at a government-estimated 7.2 per cent in FY10, up from 6.7 per cent in FY09.

The Indian economy is expected to continue to grow strongly in the long-term and there will be increased focus on infrastructure projects. Due to strong liquidity in the market, infrastructure companies will have easier access to capital in both capital as well as credit markets.

Considering the strong signals indicating economic revival in the form of economic indicators like Index of Industrial Production (IIP), the Indian government is gradually winding back expansionary fiscal and monetary policies. Although trade flows have yet to return to levels seen before the global financial crisis, higher private consumption and investment should underpin growth over the next two years.

The Asian Development Bank (ADB) indicated in its flagship annual economic publication, "Asian Development Outlook 2010" that India's economic rebound from the global financial crisis will gain pace in 2010, and the economy will grow by 8.2 per cent in 2010. The ADB estimated growth at 8.7 per cent in 2011, slightly below the Indian government's forecast of nine per cent - the level last seen before the advent of recent global economic recession. There is no doubt that India is capable of achieving the targeted growth rate. To sustain long-term growth it is essential to reform agriculture and address infrastructure bottlenecks.

Indian Power Sector

The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. Infrastructure investment in India is on the rise, but growth may be constrained without further improvements.

The government is committed to accelerating the development of infrastructure sector as indicated by its plans to raise infrastructure spending during the Eleventh 5 Year Plan period (FY07-12). Investment in infrastructure sector is likely to increase to around 8 per cent of GDP in the Eleventh Plan period compared to 4.6 per cent of GDP in the Tenth Plan period. The government spending is planned across segments with power sector likely to see the maximum spending of the total outlay. The government has identified the power sector as a key sector of focus to promote sustained industrial growth.

Reliance Power Limited

Management Discussion and Analysis

The power sector requires huge capital outlay, and it is not possible for the government to fund the growth of the sector on its own. It is essential that private sector participation be promoted if the demand supply gap in power sector has to be mitigated. Consequently, the government has undertaken multiple reforms to make the power sector more attractive to the private sector.

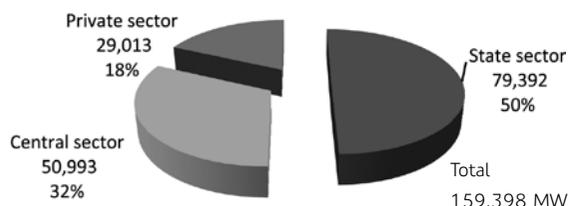
The government has embarked on an aggressive mission – "Power for All by 2012" – and the private sector has a key role in achieving the objectives stated in the mission. Involvement of the private sector not only reduces funding constraints of the sector, but also has other advantages like improvement in competitiveness of projects, more efficient execution, lower cost of generation, optimisation of capacity utilization, optimisation of fuel mix and technology upgradation.

There have been a slew of regulatory changes after the enactment of the Electricity Act in 2003 which have opened up the power generation sector and driven the sector on a high growth trajectory.

Installed generation capacity

The total installed power generation capacity of India as on March 31, 2010 is 159,398 MW out of which over 18 per cent is contributed by the private sector.

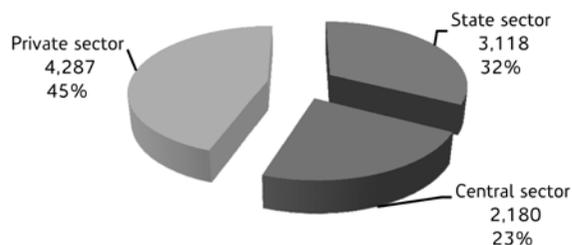
Sector wise generation capacity (in MW) as on March 31, 2010



* Excluding captive generation capacity connected to grid: 19,509.49 MW
Source: CEA

India has added generation capacity of 9,585 MW in FY09-10, a 177 per cent increase compared to capacity addition of 3,454 MW in FY08-09. Private sector was the biggest contributor with more than two-fifth of the total capacity added in FY09-10.

Sector wise generation capacity added (in MW) in FY2009-10



* Excluding renewable energy and captive generation capacity Source: CEA

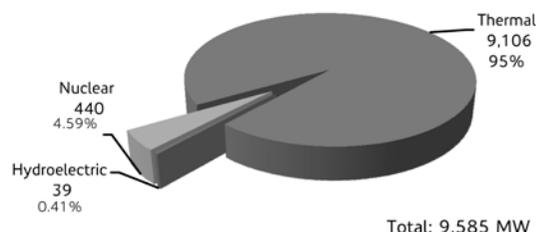
India had been traditionally dependent on thermal power as a source of power generation, which constitutes about 64 per cent of current capacity. The balance is contributed by hydroelectric power (23 per cent), nuclear (3 per cent), and renewable energy (9 per cent).

Fuel wise generation capacity (in MW) as on March 31, 2010

Fuel	Installed Capacity (MW)	Share of installed capacity
Thermal		
Coal	84,198.38	52.8%
Gas	17,055.85	10.7%
Diesel	1,199.75	0.8%
Sub Total	102,453.98	64.3%
Hydroelectric	36,863.40	23.1%
Nuclear	4,560.00	2.9%
Renewable energy	15,521.11	9.7%
Total	159,398.49	100.0%

* Excluding captive generation capacity connected to grid: 19,509.49 MW
Source: CEA

Fuel wise generation capacity added (in MW) in FY2009-10



* Excluding renewable energy and captive generation capacity

Source: CEA

With over half of the capacity added last year coming from coal based projects and capacity under construction biased towards coal based projects, India is increasingly expected to be reliant on coal for achieving its target capacity addition plans. As a result, shortage of coal remains one of the most critical risks for power generation in India.

Generation capacity addition plans

The Government of India had set an ambitious target of adding 78,700 MW in the Eleventh 5 Year Plan period (FY07-12). A total of 27,070 MW (34 per cent of target)

Management Discussion and Analysis

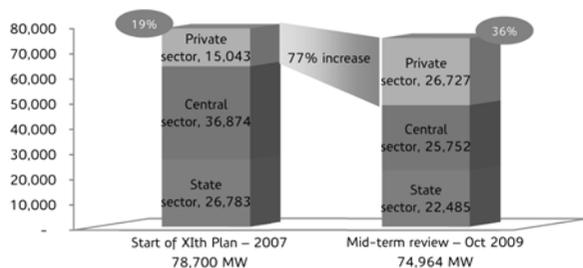
has been added in the first 3 out of 5 years. It is pertinent to note that the capacity addition in the Tenth 5 Year Plan period (FY02-07) was 21.1 GW against a target of 41.1 GW (50 per cent achievement). Although it is highly likely that India will miss the target capacity addition in the current 5 Year Plan (FY07-12), the expected capacity addition is a significant improvement from that of the last Plan period of FY02-07.

In the Mid-term review of the Eleventh 5 Year Plan, the Central Electricity Authority (CEA) has revised its target for FY07-12 downwards and identified capacity addition of 74,964 MW (62,374 MW with high degree of certainty and another 12,590 MW on a best effort basis) by the end of the Eleventh 5 Year Plan.

In the sector wise revised targets of the Mid-term review of CEA, the share of the private sector in the total capacity addition targets has gone up from 19 per cent (15,043 MW out of 78,700 MW) to 36 per cent (26,727 MW out of 74,964 MW). On an aggregate basis also, private sector capacity addition targets in FY07-12 has increased by over 75 per cent (from 15,043 MW planned at the beginning of Eleventh Plan to 26,717 MW in the Mid-term Review).

The private sector has played a significant role in the augmentation of generation capacity in India in the last 3 years. Private sector's share of operational capacity has increased from 12.9 per cent in March 2007 to 18.2 per cent in March 2010. If the whole capacity of 74,964 MW envisaged in the Mid-term Review becomes operational, the share of the private sector by FY12 end is expected to go up to 21.1 per cent.

Capacity addition targets in Eleventh Plan period (FY07-12) in MW



Source: CEA

Power generation

The total power generation in India during FY09-10 was 771.2 billion units (6.6 per cent higher than FY08-09) and was 2.3 per cent lower than the target estimates set for FY09-10.

Sector wise power generation performance in FY2009-10

Average PLF (thermal)	Power generation (billion units)	Per cent-age share	Per cent-age of installed capacity	Average PLF (thermal)
State sector	348.3	42.1%	49.8%	70.90%
Central sector	324.3	45.2%	32.0%	85.49%
Private sector	93.5	12.1%	18.2%	84.69%
Imported	5.4	0.7%	n/a	n/a
Overall	771.5	100%	100.0%	77.53%

Source: CEA

The private sector accounted for only 12 per cent of the total power generated, but its share in the total pie is expected to increase significantly, since more than one-third of capacity addition in XIth Plan is expected to be contributed by the private sector.

Coal based capacity contributed 70 per cent of the total power generated although it constituted only 53 per cent of the generation capacity. This also highlights the importance of coal based projects for meeting the base load capacity requirements.

Fuel wise power generation performance in FY2009-10

Fuel	Power generated (MU)	Share in generation	Share in generation capacity	Average PLF
Thermal	640.9	83.1%	64.3%	77.5%
Hydroelectric	106.7	13.8%	23.1%	-
Nuclear	18.6	2.4%	2.9%	51.1%
Imported	5.4	0.7%	9.7%	n/a
Total	771.6	100%	100.0%	-

Source: CEA

Outlook of power generation sector

• **Demand and supply outlook**

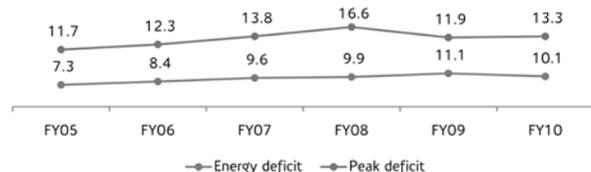
In order to sustain a GDP growth rate of over 8 per cent, it is essential that the power sector also grows at a similar rate.

The power sector has witnessed acute shortage of electricity over the last few years. The energy deficit in FY09-10 was 10.1 per cent and the peak power deficit was 13.3 per cent indicating a huge gap between demand and supply of electricity. The gap between demand and supply has not decreased in the last few years, leading to persistent power shortages. The following table highlights the deficit situation in the last few years

Reliance Power Limited

Management Discussion and Analysis

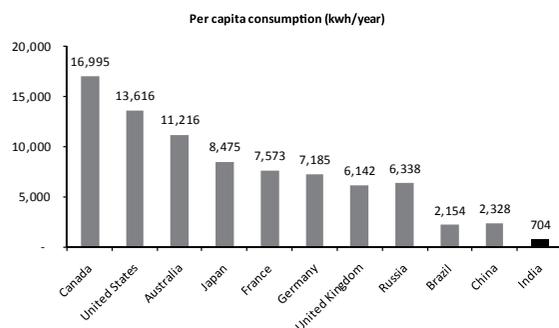
Power deficit scenario - all India in the period FY05-10 (in %)



Source: CEA

In recent years, India's energy demand has been increasing very fast due to the population growth and economic development. The increase in installed power generation capacity has however not kept pace with the increase in demand for power thus leading to power shortages. Despite the overall increase in energy demand, per capita energy consumption in India, at 704 kwh, is still very low compared to other developing countries.

Per capita consumption of electricity (in kwh)



Note: per capita consumption as on 2007 and FY2008 in case of India
Source: IEA, Key World Energy Statistics, 2009, CEA

According to the 17th Electric Power Survey, India requires 968.7 billion units of electricity in FY11-12 while the current generation in FY09-10 is 771.2 billion units. This implies that power generation has to increase at a CAGR of minimum 12 per cent just to meet the demand, almost double the growth rate of 6.6 per cent witnessed in FY09-10.

Long term demand and supply outlook

As per the Ministry of Power, to deliver a sustained GDP growth of 8 per cent till FY31-32, India's generation capacity has to grow to 962,210 MW, more than 6 times the current generation capacity. This implies a CAGR of 8.6 per cent over 22 years and an average capacity addition of over 36,000 MW every year, almost 4 times the capacity addition rate in the current 5 Year Plan till date (27,070 MW added in 3 years).

The GDP growth of India in the last few years has been significantly higher than the power sector growth thus

putting more pressure on the sector. In the period FY02-10, while the GDP has been growing at an average of over 8 per cent, the power generation capacity has been growing at a CAGR of 6.4 per cent (from 132,329 MW in FY07 to 159,398 MW in FY10).

Regulatory developments in the power sector

The power sector has been revamped since the enactment of the Electricity Act in 2003. There have been multiple reforms aimed at increasing participation and introducing competition in the sector. The government is keen to provide a level playing field for all participants and has hence introduced regulations providing opportunities in domains earlier not available to the private sector and more clarity on various aspects. The government is also taking a long term view of how things ought to be shaped and has introduced regulations which will help in the long and sustainable growth of the sector.

Some key regulatory changes have been introduced in the last one year which are being discussed below

- #### Regulation on Renewable Energy Certificates (REC) announced:

The REC regulation provides an opportunity for the Renewable Energy (RE) generators either to sell the renewable energy at preferential tariff fixed by the State Electricity Regulatory Commissions (SERC) or to sell the electricity generation and environmental attributes associated with RE generation separately, which can be exchanged in the form of REC. The floor price for non-solar and solar is fixed at Rs 1.45 /kwh and Rs 12.28 /kwh respectively while the forbearance price for non-solar and solar is Rs 3.78 /kwh and Rs 17.23 /kwh respectively. Considering the scope of getting high returns, the new regulation is expected to stimulate extensive capacity addition in renewable energy.

- #### CERC announced Terms and conditions for Tariff Determination from Renewable Energy Sources Regulations, 2009:

The regulations provide normative capital costs for projects based on different renewable technologies. The normative Return on Equity shall be pre-tax 19 per cent per annum for the first 10 years and Pre-tax 24 per cent per annum 11th year onwards. The high returns will encourage more capacity addition in renewable energy segment.

- #### Government announced Jawaharlal Nehru National Solar Mission:

Consequent to the announcement of the National Action Plan on Climate Change in June 2008, the Government of India has approved "Jawaharlal Nehru National Solar Mission" (JNNSM) which aims

Management Discussion and Analysis

at development and deployment of solar energy technologies in the country to achieve parity with grid power tariff by 2022. The objective of the National Solar Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The target of the mission is to create an enabling policy framework for the deployment of 20,000 MW of solar power by 2022. The programme is going to act as a propellant for growth and development of renewable energy in the Country.

• **CERC notifies Power Market Regulations:**

Provisions of these regulations would govern transactions in various contracts related to electricity. These regulations shall apply to various types of inter-state contracts related to electricity whether these contracts are transacted directly, through electricity traders, on power exchanges or on other exchanges. The regulations are expected to boost the implementation of open access of power in the country and result in an efficient price discovery.

• **CERC has released the Draft Regulations on Transmission Pricing:**

The new draft regulation is a big improvisation over the existing methodology of sharing of transmission charges and losses. The new approach is distance and direction sensitive and addresses various lacunae in the existing model.

Opportunities and threats

In the last decade, the government has taken various initiatives to increase public as well as private investments in the sector to enhance generation capacity and eliminate power deficit. The Parliament enacted the Electricity Act, 2003 and the Government has followed up on the reform agenda with various other policy measures to make the power generation sector attractive for investors. The Electricity Act, 2003, requires the Central Electricity Authority (CEA) to lay out the National Electricity Plan once in every five years and revise the same from time to time in accordance with the National Electricity Policy. This Plan serves as a roadmap for accelerated growth of the power sector. Now 100 per cent Foreign Direct Investment (FDI) is allowed in generation, transmission and distribution segments. Incentives are given to the sector through waiver of duties on capital equipments under the Mega Power Policy. These policy initiatives have resulted in building up investor confidence in the power sector and have created an ideal environment for increased participation by the private sector.

The Government is working towards –“Power for All by 2012”– and aiming for the following objectives:

- Availability of electricity for all households in the next five years;
- Power demand to be fully met by 2012. Energy and peaking shortages to be overcome and adequate reserves to be available;
- Supply of reliable and quality power of specified standards in an efficient manner and at reasonable rates;
- Per capita availability of electricity to be increased to over 1000 kWh by 2012;
- Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012.

The Government has targeted commissioning of 78,700 MW in the Eleventh 5 Year Plan to meet its objectives.

But the inability of the country to meet its target generation capacity addition has resulted in a perennial state of power shortage. It is expected that the target for the current Plan period also cannot be achieved and it implies that the demand-supply gap may continue for the next few years. With the Gross Domestic Product (GDP) currently growing at rate faster than the growth of generation capacity addition, the deficit is likely to worsen unless the capacity addition rate picks up.

This has provided a two pronged opportunity to power project developers, one, to sell power through long term power purchase agreements (PPA) at attractive and sustainable returns and two, to sell power through short term contracts (bilateral contracts) or spot markets (unscheduled interchange, power exchanges) at significantly high premium to the long term tariffs till there is a critical power deficit in India.

Gas based projects account for around 10 per cent of the total generation capacity of India, which is much lower than the world average. The current gas production in India is 165 mmscmd out of which 68 mmscmd is utilized by the power generation sector. The total supply is expected to go up to 237 mmscmd by FY11 end and 253 mmscmd by FY12 end. The bulk of the additional production has to be absorbed by the fertilizer and power generation sector, the two biggest consumers of natural gas. This will lead to increased availability of gas for power generation and at reasonable prices expected due to a jump in the quantum of supply, gas is expected to increase its share of the total power generation pie by the next few years.

Considering the ever increasing electricity demand and inadequate availability of fuel there is a dire need to tap various new sources of energy including renewable energy. Further, growing awareness with regard to benefits of clean energy also prompted renewed focus on renewable energy by all the stakeholders in the energy ecosystem.

Reliance Power Limited

Management Discussion and Analysis

India has one of the highest potentials for the effective use of renewable energy. India has a potential of 48,500 MW in wind energy and 25,000 MW in solar energy. Besides this, there is an additional potential of 148,700 MW of hydroelectric capacity, out of which only 25 per cent has become operational till now.

The renewable energy capacity has gone up from 7,761 MW in March 2007 to 15,521 MW in March 2010 (growth of over 100 per cent in 3 years). With coal shortage becoming a reality in the last couple of years, it is imperative for India to have a focused strategy for renewable energy. The Government has already started acting on this agenda. Some of the significant steps taken recently are

- Policy envisaging that all states should mandatorily meet Renewable Purchase Obligations (RPO) of 5 per cent of total generation which goes up by 1 per cent with every passing year till FY20 to reach a level of 15 per cent.
- Launch of Jawaharlal Nehru National Solar Mission (JNNSM), which aims to ensure that solar energy technologies in the country achieve grid parity by 2022. It has plans for deployment of 20 GW of solar power by 2022.
- Imposition of Carbon cess of Rs 50 per tonne for all domestic and imported coal based projects. The funds raised will be utilized to drive development in the renewable energy sector.

With increasing focus on environment related issues, power projects, employing clean and environment-friendly technology (hydroelectric and other renewable energy sources) can also earn carbon credits, which are traded extensively in the international market; thus providing an additional source of revenue.

Key risks and concerns

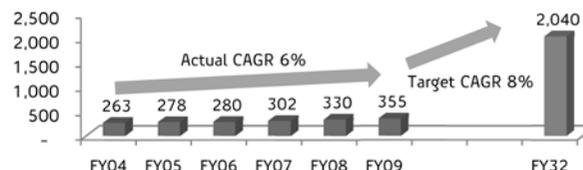
Power sector is a highly capital intensive business with long gestation periods before commencement of revenue streams (construction periods of 4-5 years) and an even longer operating period (over 25 years). Since most of the projects have such a long time frame, there are some inherent risks in both the internal and external environment. We monitor the external environment and manage our internal environment to mitigate the concerns on a continuous basis. Some of the key concerns being faced by the sector currently are

1. Coal supply position

More than 50 per cent of India's generation capacity is coal based. According to the Integrated Energy Policy, by FY31-32, India requires 2,040 million

tonnes of coal for power generation, more than 5 times its current consumption levels. The shortage of coal is so acute that most of the power generation companies are looking at imported coal as a viable alternative to domestic coal.

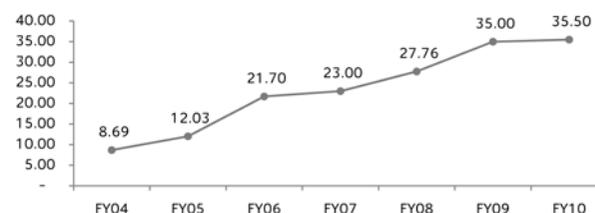
Coal requirement of power sector (in million tonnes per annum)



Source: CEA

The total imported non coking coal quantity has increased more than 3 times within the last 5 years and is expected to go up at a much faster rate once most of the imported coal based projects including the two Ultra Mega Power Projects are commissioned.

Trend in imported coal in India (values in million tonnes per annum)



Source: CEA

Realizing this, the Government has recently announced some policy changes and initiatives in coal mining. Currently coal blocks are awarded to private sector companies through a Screening Committee called the Standing Linkage Committee. The Government is planning to introduce amendments in the Mines and Minerals (Development and Regulation) Act, 1957 so that the allocation process by the Screening Committee can be replaced by a transparent auction process. The Government has also announced plans to set up a Coal regulatory Board to monitor pricing and regulations in the coal mining sector.

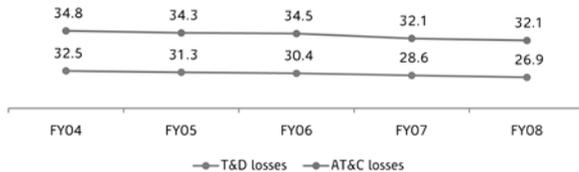
2. High AT&C losses

India has historically witnessed very high transmission, distribution and commercial losses of power. Despite the government's continuous efforts to improve the situation, out of every 100 units of power generated,

Management Discussion and Analysis

only 70 are available to the paying customer. This puts a significant burden on the customer who has to pay for the losses incurred in the transmission and distribution (T&D) network.

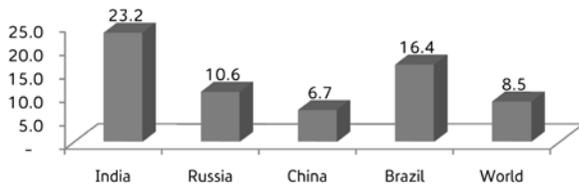
T&D and AT&C Losses (all India) in the period FY04-08



Source: CEA/PFC

A comparison of distribution losses with other developing countries shows that we have a long way to go before we reach global standards or even the standards in emerging market economies.

Distribution losses in developing countries in 2008 – a comparison



Source: Think BRIC-Comparative study of power sector by KPMG (Jan 2010)

The high losses result in increasing annual losses of State Electricity Boards (SEB). The losses are mainly due to the high level of subsidies, power theft and inadequate metering. This also results in cross subsidization of tariffs to make the SEBs financially viable. Rising power tariffs will result in higher losses for SEBs which is a major cause for concern in the sector.

3. Execution risk

Power projects are highly capital intensive and have a long construction as well as operational phase thus exposing them to various macroeconomic as well as project specific risks. The life of a power project can be divided into three different stages: developmental stage, construction stage and operational stage; with each stage having its own set of critical risk elements

Development stage: From the conceptualization of a project to the start of construction activities, the key risks that need to be monitored are:

- Statutory approvals and clearances from the authorities

- Land acquisition
- Fuel, water and transmission linkages
- Availability of both equity and debt funding

Construction stage: From the start of construction to commissioning of projects, the key risks that need to be monitored are:

- Execution within estimated cost
- Execution within targeted timelines
- Transportation/logistics of equipments
- Hydrological and geological risks in case of hydroelectric projects

Any delay in any of the above milestones poses significant risk for the successful completion of projects.

During the construction phase, ensuring that all the supply and erection contracts are placed on time and within the cost estimates is a critical challenge and thereafter ensuring that all the vendors and contractors perform their responsibilities as envisaged is a key risk.

During the operations phase, operating and maintaining the power plant efficiently and ensuring that operational costs and performance are maintained within or better than the norms is the major challenge. One unit of Rosa Stage I has been commissioned in FY10 well on time and is the first project of Reliance Power to become operational. We have installed a robust mechanism to identify and take preventive steps for key operational risks. In case of hydroelectric projects, there is a risk of insufficient flows, thereby resulting in poor generation. This is addressed at the design stage by incorporating a conservative approach in 'Power Potential Studies' and during the operation phase, the risk is mitigated partly by the regulatory mechanism.

Internal control systems and their adequacy

The Company has put in place internal control systems and processes commensurate to its size and scale of operations. An Enterprise Resource Planning System developed by SAP has been implemented in the Company. The system has control processes designed to take care of various control and audit requirements. In addition, the Company has Internal Audit function, which oversees the implementation and adherence to various systems and processes and preparation of Financial Statements as per Generally Accepted Principles and Practices. Further, the internal audit group also appoints reputed external audit firms to undertake the exercise of conduct of Internal Audit at various locations. The report of the Internal Auditors is placed in the Audit Committee Meetings.

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Management Discussion and Analysis

Reliance Power has put in place a Risk Management Framework, both at the corporate as well as the project level, which provides a process of identifying, assessing, monitoring, reporting and mitigating various risks at all levels at periodic intervals. Under the framework the Company has constituted a Risk Management Committee at both the Corporate Level as well as Project Level to continuously monitor report and mitigate various risks faced. The outcome of this monitoring is reported to the Audit Committee of the Board of directors.

Discussion on Operations of the Company

• Project operations

The first unit (300 MW) of Rosa Stage I has been commissioned in the financial year 2009-10 on time. This is the first operational capacity of Reliance Power. The unit was declared commercially operational from 12th March 2010.

Reliance Power has installed world class Operations and Maintenance (O&M) systems in Rosa. All the O&M manuals, Standard Operating Procedures (SOP) and IT enabled generation management systems are already installed. A SAP for management of plant assets is installed which ensures that all activities including plant maintenance, material management, employees, finance, etc. are managed and monitored on real time basis.

Reliance Power has installed a Centralized Monitoring Center for optimization of resources and manpower. Latest reliability centered maintenance techniques have been employed in Rosa which gives the project significant benefits in terms of diagnostics and preventive maintenance and reduction of outages.

The O&M systems installed in Rosa will be replicated in other projects of Reliance Power as and when they are commissioned and the centralized monitoring center will manage all the projects with an overall optimization perspective.

• Project development and execution

Reliance Power is currently developing sixteen large and medium sized power projects with a combined planned installed capacity of about 35,000 MW, one of the largest portfolios of power generation assets under development in India.

The sixteen power projects are planned to be diverse in geographic location, fuel type, fuel source and off-take, and each project is planned to be strategically located near an available fuel supply or load center. The identified project sites are located in western India (12,520 MW), northern India (9,080 MW), northeastern India (4,220 MW), southern India (4,000 MW) and eastern India (3,960 MW).

They include seven coal-fired projects (18,880 MW) to be fueled by reserves from captive mines and supplies from India and abroad, two gas-fired projects (10,280 MW) to be fueled primarily by reserves from the Krishna Godavari Basin (the "KG Basin") off the east coast of India, and seven hydroelectric projects (4,620 MW), six of them in Arunachal Pradesh and one in Uttarakhand. Reliance Power has been successful in bagging three Ultra Mega Power Projects (3,960 MW each at Sasan in Madhya Pradesh and Tilaiya in Jharkhand and 4,000MW at Krishnapatnam in Andhra Pradesh). The Company intends to sell the power generated by these projects under a combination of long-term and short-term PPAs to state-owned and private distribution companies and industrial consumers.

All the projects are in various stages of operation, construction and development. A brief on the developments on each project is shared.

1. Rosa Phase 1, a 600 MW coal-based power project in Uttar Pradesh

Rosa Power Supply Company Limited (RPSCL) was incorporated on September 1, 1994. It was a subsidiary of Aditya Birla Power Company Limited (ABPCL). It was transferred to Reliance Power subsequent to a share purchase agreement between ABPCL and Reliance Power Ltd on November 1, 2006, and is now a fully owned subsidiary of Reliance Power.

RPSCL is developing 1,200 MW of coal based generation capacity at Rosa village in Shahjahanpur, Uttar Pradesh in two stages of 600 MW each. Both the stages comprise two units of 300 MW each and employ subcritical Pulverized Coal Combustion (PCC) technology.

Rosa Phase 1 is the first project of the Company to become operational. It has received considerable support from the Government; with it also being designated a "priority project". The first unit of 300 MW became commercially operational on 12th March 2010. The second unit is expected to be commissioned before the PPA committed schedule of June 2010.

The sale of the entire power to be generated from the project is secured through a Power Purchase Agreement (PPA) with Uttar Pradesh Power Company Limited (UPPCL) on a cost plus tariff basis based on Tariff Guidelines set by the Uttar Pradesh Electricity Regulatory Commission (UPERC). The power plant is already connected to the state electricity grid and is supplying power to Uttar Pradesh.

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The Fuel Supply Agreement (FSA) for the project is signed with Central Coalfields, a subsidiary of Coal India Limited.

2. Rosa Phase 2, a 600 MW coal-based power project in Uttar Pradesh

Rosa Phase 2 is also part of Rosa Power Supply Company Limited (RPSCL). Like Rosa Stage 1, this is also a coal based project with two subcritical technology based units of 300 MW each. The project is scheduled to commence power generation within the 11th plan (i.e. by March 2012). This is a brownfield expansion and hence is utilizing the additional land acquired and water allocated for Rosa Phase 1. The project has obtained all major approvals from the Government of Uttar Pradesh and construction activities are in full swing at the site.

Rosa Phase 2 has entered into a Power Purchase Agreement (PPA) for 50 per cent of its generation capacity (300 MW) with Uttar Pradesh Power Company Limited (UPPCL) on a cost plus tariff basis based on Tariff Guidelines set by the Uttar Pradesh Electricity Regulatory Commission (UPERC). The balance 300 MW will be sold on a merchant basis and a PPA has been signed with Reliance Energy Trading Limited (RETL).

Fuel supply has also been secured with the Government of India awarding long-term coal linkage for the capacity expansion.

The project has achieved financial closure with a consortium of banks led by IDBI Bank Limited.

3. Butibori, a 600 MW coal-based power project in Maharashtra

Vidarbha Industries Power Limited (VIPL) was incorporated on December 27, 2005, as a special purpose vehicle of Reliance Infrastructure Limited to implement the Butibori Thermal Power project. This Company became a subsidiary of Reliance Power on August 30, 2007.

VIPL is currently developing a 600 MW coal-based power project (2 units of 300 MW each) with subcritical technology to be located at Butibori, Maharashtra Industrial Development Corporation (MIDC) in Nagpur, Maharashtra. The construction of the Project, which is expected to be completed in the 11th Plan, was inaugurated by the Chief Minister of Maharashtra in February 2009.

The contracts for Engineering, Procurement and Construction (EPC) and Boiler, Turbine and Generator (BTG) have been awarded. The project has achieved financial closure with a consortium of banks led by Axis Bank in July 2009. The project is currently in the construction phase and is expected to be commissioned by March 2012.

Unit 1 (300 MW) was designed on a Group Captive Project basis and hence 51 per cent of the capacity will be supplied to industrial consumers. The plant is situated in the midst of industrial area and will supply over 153 MW to industries thus ensuring perpetual demand for the power generated from the plant.

The balance capacity is planned to be sold through a combination of Case 1 bids and merchant power sale to the power deficit Western region.

4. Sasan Ultra Mega Power Project, a 3,960 MW pithead coal-based Project in Madhya Pradesh

Sasan Power Limited (SPL) was incorporated on February 10, 2006. This Company was incorporated as a wholly owned subsidiary of Power Finance Corporation Limited in order to build, own, operate and maintain the Sasan Ultra Mega Power Project at Sasan, Madhya Pradesh. It was transferred to Reliance Power under the provisions of a share purchase agreement dated August 7, 2007 and is now a fully owned subsidiary of Reliance Power.

Reliance Power was awarded the Sasan project following an international competitive bidding process at a levelized tariff of Rs 1.196/kWh. A Power Purchase Agreement has been executed with 14 Procurers comprising 7 States and their off take shares are as follows; Madhya Pradesh (Lead Procurer) will be entitled for 37.50 per cent share, followed by Punjab (15 per cent), Uttar Pradesh (12.5 per cent), Delhi (11.25 per cent), Haryana (11.25 per cent), Rajasthan (10 per cent) and Uttarakhand (2.5 per cent).

The project has been allocated three captive coal blocks, Moher, Moher-Amlohri Extension and Chhatrasal, with total coal reserves of over 700 mn tonnes, to meet its fuel requirements. The first unit of the project will be commissioned by March 2012 and subsequent units will be commissioned at a gap of 3 months each.

The contracts for Engineering, Procurement and Construction (EPC) and Boiler, Turbine and Generator (BTG) have been awarded. The construction activities are in progress at site. Construction of Resettlement and Rehabilitation (R&R) colony has been completed and project affected families have shifted to the R&R colony.

On the financial front, the project has achieved financial closure in April 2009 with a consortium of banks and Financial Institutions led by State Bank of India. This was a landmark event in India's project finance history as banks and financial institutions have appraised an integrated coal mine-cum-power project of this scale for the first time in India. The achievement is immensely significant when seen in

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the backdrop of financial and economic turmoil in all global economies.

The Company has also made significant progress in the three coal mines allocated for the Sasan project. Contracts for major equipments have been awarded and the Company is working in collaboration with North American Coal Company, one of the largest coal mining companies in the United States of America. Coal production from the mines is expected to commence before the commissioning of the first unit of Sasan UMPP.

5. Krishnapatnam Ultra Mega Power Project, a 4,000 MW imported coal-based Project in Andhra Pradesh

Coastal Andhra Power Limited (CAPL) was incorporated on August 24, 2006. This Company was incorporated as a wholly owned subsidiary of Power Finance Corporation Limited in order to build, own, operate and maintain the Krishnapatnam Ultra Mega Power Project at Nellore District in Andhra Pradesh and to invite international competitive bidding so as to award the Project to the successful bidder. It was transferred to Reliance Power under the provisions of a share purchase agreement dated January 29, 2008 after Reliance Power won the International Competitive Bidding (ICB) conducted for CAPL.

As per the ICB guidelines, a Power Purchase Agreement (PPA) has been executed with 11 Procurers comprising 4 States i.e. Andhra Pradesh, Tamil Nadu, Karnataka and Maharashtra. Andhra Pradesh, the Lead Procurer, will have 40 per cent share of power from the project and the other states 20 per cent each.

The Krishnapatnam project is located approximately 3 km from the nearest port where imported coal will be delivered to supply fuel for the project.

The Krishnapatnam project will be a coal-based project and will employ super-critical technology. The project is scheduled to come on-stream by September 2013, when the first unit is commissioned and the project is scheduled to be fully commissioned by October 2015.

Coal is planned to be imported from Indonesia. Construction activities at the site have commenced. All key clearances and approvals required for the Project are in place. All the required site studies have been completed.

Syndication for the financing of the project is in progress. IDBI and Power Finance Corporation (PFC) have been appointed as the co-lead arrangers for the project and have also sanctioned majority of the loan requirement.

6. Chitrangi Power Project, a 3,960 MW coal-based power project in Madhya Pradesh

Chitrangi Power Private Limited (CPPL), previously MP Power Generation Private Limited (MPPGCL), was incorporated on September 7, 2007 and is a wholly owned subsidiary of Reliance Power. CPPL is set to develop a 3,960 MW coal-based power project at Chitrangi Tehsil, Singrauli District, Madhya Pradesh.

In September 2007, Reliance Power entered into a Memorandum of Understanding (MoU) with the Government of Madhya Pradesh (GoMP) under which the Company agreed to establish a 3,960 MW coal-based power project.

The Company has already obtained part possession of the land and the balance land is also expected to be transferred shortly. The project has also obtained in principle water allocation from GoMP.

Permission has been obtained from the Government of India to use the incremental coal from the captive coal blocks allocated for Sasan UMPP.

The Company is pursuing opportunities to tie up for off-take of balance capacity. The Company intends to sell the power through a mix of long term contracts and merchant power sale.

7. Tilaiya Ultra Mega Power Project, a 3,960 MW pithead coal-based power project in Jharkhand

Jharkhand Integrated Power Limited (JIPL) was incorporated as a wholly owned subsidiary of Power Finance Corporation Limited in order to build, own, operate and maintain the Tilaiya Ultra Mega Power Project at Hazaribagh District in Jharkhand and to invite international competitive bidding so as to award the Project to the successful bidder. It was transferred to Reliance Power under the provisions of a share purchase agreement dated 7 August, 2009 after Reliance Power won the International Competitive Bidding (ICB) conducted for JIPL at a levelized tariff of Rs 1.77/kwh.

As per the ICB guidelines, a Power Purchase Agreement (PPA) has been executed with 18 Procurers comprising 10 states in Northern, Western and Eastern India.

Various site activities and processing of clearances and approvals have been initiated after the transfer of the project to Reliance Power. Work on preparation of mine plan for the coal reserves has been initiated. As per the PPA, the first unit is scheduled to be commissioned in May 2015 and the project is scheduled to be commissioned by May 2017.

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8. Dadri, a 7,480 MW gas-based power project, Uttar Pradesh

The project entails the development, construction and operation of a 7,480 MW gas based power generation project at Dhirubhai Ambani Energy City, near Dadri in Ghaziabad District of Uttar Pradesh.

The power project, once fully operational, will be the world's largest gas based power generation plant at a single location. The project has received all statutory clearances from the Central and Uttar Pradesh Government authorities including Environmental Clearance from the (MoEF) for the full capacity of 7,480 MW, award of Mega Power Project Status from the Ministry of Power, water allocation (allocation from Ganga Canal and ground water resources), etc.

An International Competitive Bidding (ICB) process has been initiated for the gas project and offers have been received. The offers from the various vendors are being evaluated for awarding the EPC contract.

9. Shahapur Coal and Gas, a 4,000 MW combined gas-based and coal-based Power Project, in Shahapur in Maharashtra

Maharashtra Energy Generation Limited (MEGL) was incorporated on June 29, 2005. This special purpose vehicle Company is implementing the Shahapur Power Project at Shahapur, Alibaug Raigad District of Maharashtra. This Company became a subsidiary of Reliance Power on August 28, 2007.

The Shahapur Project comprises a 1,200 MW coal-based and a 2,800 MW gas-based power project.

The project has received all major clearances and approvals including Environmental Clearance from the Ministry of Environment and Forest (MoEF), the Government of India, including for Captive Jetty and other infrastructure facilities in Coastal Regulation Zone (CRZ). The Government of Maharashtra (GoM) has already granted firm water allocation for the project. MEGL's Resettlement & Rehabilitation (R&R) proposal has been reviewed by the Maharashtra State Rehabilitation Committee and granted in-principle approval. Land Acquisition for the project is in advanced stage and physical possession of land is expected soon.

An International Competitive Bidding (ICB) process has been initiated for the gas project and offers have been received. The offers from the various vendors are being evaluated for awarding the EPC contract.

10. Tato II, a 700 MW hydroelectric Project in Arunachal Pradesh

Tato Hydro Power Private Limited (THPPL) was incorporated on September 7, 2007 to set up a hydro electric power project at Tato in the state of

Arunachal Pradesh. The Tato II project was originally awarded to Reliance Infrastructure Limited. Pursuant to an agreement dated September 14, 2007, all rights and obligations in relation to the project were transferred to Reliance Power.

Tato II is a 700 MW (4x175 MW) run-of-the-river hydroelectric power project on the Siyom River in West Siang, Arunachal Pradesh.

A Memorandum of Agreement (MoA) was signed in February 2006 with the Government of Arunachal Pradesh. The Detailed Project Report (DPR) has been prepared by SNC Lavalin, Canada and the same has since been submitted to the Central Electricity Authority (CEA) for according Techno-Economic Clearance (TEC) and is under examination.

11. Siyom, a 1,000 MW hydroelectric Project in Arunachal Pradesh

Siyom Hydro Power Private Limited (SHPPL), a wholly owned subsidiary of Reliance Power, is developing a 1,000 MW (4x250 MW) run-of-the-river hydroelectric power project on the Siyom River in West Siang, Arunachal Pradesh.

A Memorandum of Agreement (MoA) was signed in February 2006 with the Government of Arunachal Pradesh. Under the terms of the MoA, the project is required to be implemented on a Build-Own-Operate-Transfer (BOOT) basis for a concession period of forty years from the commissioning date. The Detailed Project Report (DPR) had been prepared by NHPC in 2003 and is being reviewed/updated by Halcrow, UK. The Project has received statutory Environmental clearance from the Ministry of Environment and Forest and Defence clearance and is currently moving forward at brisk pace.

12. Urthing Sobla, a 400 MW hydroelectric Project in Uttarakhand

Urthing Sobla Hydro Power Private Limited (USHPPL) was incorporated on September 13, 2007. It has been formed to set up a hydro electric power project at Urthing Sobla in Pithoragarh District in the state of Uttarakhand.

In accordance with the terms of the project development agreement, Reliance Infrastructure must hold, directly or indirectly, 51 per cent of the equity in the special purpose vehicle formed to develop the Urthing Sobla project. Reliance Power owns 80 per cent and Reliance Infrastructure owns 20 per cent of USHPP, so that Reliance Infrastructure's direct and indirect shareholding exceeds 51 per cent of the total equity in USHPP.

Urthing Sobla is a 400 MW (4x100 MW) run-of-the-river hydroelectric power project on the

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Dhauliganga River in Pithoragarh, Uttarakhand. A Project Development Agreement (PDA) was entered into with the Government of Uttarakhand to carry out studies and investigations, to prepare the Detailed Project Report (DPR) and to develop and operate the project. SMEC, Australia has been appointed as the consultant for preparation of DPR.

13. Other Hydroelectric Projects in Arunachal Pradesh

Reliance Power signed Memorandum of Agreements (MoA) with the Government of Arunachal Pradesh for the implementation of four Hydro-electric power projects in the state.

i. Kalai II, a 1,200 MW hydroelectric project

Kalai Power Private Limited (KPPL) was setup to commission the 1,200 MW Kalai-II hydroelectric Project on the river Lohit in Anjaw District. The consultancy assignment for preparation of EIA Report and the Detailed Project Report has been awarded and is in progress.

ii. Amulin, a 420 MW hydroelectric project

Amulin Hydro Power Private Limited (AHPPL) was setup to commission the 420 MW Amulin hydroelectric project on the river Mathun in Dibang Valley District. The consultancy assignment for preparation of EIA Report has been awarded and is in progress.

iii. Emini, a 500 MW hydroelectric project

Emini Hydro Power Private Limited (EHPPL) was setup to commission the 500 MW Emini hydroelectric project on the river Mathun in Dibang Valley District. The consultancy assignment for preparation of EIA Report has been awarded and is in progress.

iv. Mihundon, a 400 MW hydroelectric project

Mihundon Hydro Power Private Limited (MHPPL) was setup to commission the 400 MW Mihundon hydroelectric project on the river Mathun in Dibang Valley District. The consultancy assignment for preparation of EIA Report has been awarded and is in progress.

These projects were awarded on the basis of Competitive Bidding carried out by the state government. As per the bid, the free power to be provided to the State varies between 15 to 18 per cent of the energy generated from the projects.

These projects are part of the Government of India's 50,000 MW Hydro Initiative. As per the terms of the MoAs, all these projects, which are Run-of-the-River schemes, are required to be implemented on Build-Own-Operate-Transfer (BOOT) basis.

14 Clean Development Mechanism (CDM)

Clean Development Mechanism is one of the three mechanisms under Kyoto Protocol to reduce Greenhouse Gases (GHG). CDM encourages developers, in the developing countries, to adopt environmental friendly technologies and fuels so that the GHG emissions can be reduced. Reduced GHG emissions from the environment will enable those developers to earn carbon credits, also known as Certified Emission Reductions (CERs). These CERs are sold for a price to the compliance buyers in Annexure 1 countries (entities in developed countries) that have to reduce their GHG emissions.

The Company is in the process of applying for CDM registration for various super-critical technology based power generation projects including Sasan, Krishnapatnam, Tilaiya Ultra Mega Power Projects (UMPPs). These projects are eligible to earn Carbon credits as they will be commissioned with higher efficiency, environment friendly super-critical technology. Besides the super-critical projects, gas based generation projects and the hydroelectric power projects are also eligible to receive carbon credits.

The Company is working towards registering the UMPPs with CDM-Executive Board. Consultants and validators for these two projects were appointed and CDM related activities are progressing according to the expected schedule.

All the three UMPPs have received necessary host country clearance from the National CDM Authority, Ministry of Environment and Forests (MoEF), Government of India.

Global stakeholder consultation, an important milestone for CDM registration, of Sasan UMPP was concluded. Validation of Sasan UMPP is concluded and the project is submitted for registration with CDM Executive Board.

Both Krishnapatnam and Tilaiya UMPPs have commenced global stakeholder consultation process. Validators for both the projects have been identified. Initial documentation work for gas based power generation projects and Hydro Power projects is currently underway.

The sale proceeds from the carbon credits emission market shall act as a new revenue stream for the Company.

Health, safety and environment

The Company attaches utmost importance to safety standards at all installations of the Company. Necessary steps are regularly undertaken to ensure the safety of employees and equipment. Both external and internal

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safety audits are regularly conducted. Mock drills are conducted to gauge emergency and disaster management preparedness.

Human Resources

The Company has been building up its human resources for executing the implementation of its large power capacity addition program. We are now a family of over 500 professionals. Teams have been put in place both at the Corporate Office and in all the project locations. The Company has adopted a strategy of putting senior and experienced (in the power sector) professionals as Project Leaders and Functional heads and teams are being built around them. Considering the fact that many of the power projects are located in remote areas, suitable compensation schemes as well facilities for townships with education and medical facilities are being planned. The Company also has a Graduate Engineer Trainee Programme under which Graduate Engineers are recruited and trained for working in Power Plants. These Graduate Engineers are recruited through a National Level competition offering opportunities to all the meritorious candidates across the country. The selection process involves online screening of the candidates followed by Group Discussion and Personal Interviews. The Company is planning to have simulators at various project locations where operational training services can be provided.

Discussion on Financial Condition and Financial Performance

Financial Condition

Reliance Power Limited is a holding Company with the following subsidiary companies which are developing various power projects.

Company	Project
Rosa Power Supply Company Limited	Rosa Stage I and Stage II
Vidarbha Industries Power Limited	Butibori GCPP
Sasan Power Limited	Sasan UMPP
Coastal Andhra Power Limited	Krishnapatnam UMPP
Chitrangi Power Private Limited	Chitrangi
Maharashtra Energy Generation Limited	Shahapur
Jharkhand Integrated Power Limited	Tilaiya UMPP
Siyom Hydro Power Private Limited	Siyom HEPP
Urthing Sobla Hydro Power Private Limited	Urthing Sobla HEPP
Tato Hydro Power Private Limited	Tato II HEPP
Kalai Power Private Limited	Kalai II
Amulin Hydro Power Private Limited	Amulin
Emini Hydro Power Private Limited	Emini
Mihundon Hydro Power Private Limited	Mihundon

An extract of the Consolidated Balance Sheet is placed below:

	Rs in crore	
	As on March 31	
	2010	2009
Source of Funds		
Net Worth	14,463.05	13,779.15
Loan Funds	2,240.61	1,332.49
Total	16,703.66	15,111.64
Application of Funds		
Fixed Assets	9,143.63	4,965.89
Investments	7,915.24	10,317.24
Net Current Assets	-355.21	-171.48
Total	16,703.66	15,111.64

Loan Funds have increased to Rs 2,241 crore from Rs 1,332 crore.

Fixed assets have increased to Rs 9,144 crore from Rs 4,966 crore.

Investments were at Rs 7,915 in FY10 end as compared to Rs 10,317 crore in FY09 end.

Financial Performance

The first unit of Rosa Stage I, declared commercially operational in March 2010. The remaining projects are presently under various stages of implementation. The Company made an Initial Public Offering (IPO) in Jan-Feb 2008 through which it raised Rs 11,563.20 crore to be used mainly for equity infusion into various projects. The un-utilized cash available from the IPO is invested in various money-market instruments and earn interest income. An extract of the Consolidated Profit and Loss Account Statement is placed below:

Particulars	Rs in crore	
	Year ended 31.03.2010	Year ended 31.03.2009
Income		
Sale of Energy	20.72	-
Dividend Income	224.80	284.86
Profit on redemption of MFs	572.89	60.93
Miscellaneous Income	24.97	14.59
Total	843.38	360.38
Expenditure		
Fuel Cost	22.10	-
Employee Cost	43.32	24.49
General, Administration & Other Expenses	62.63	78.65
Depreciation	5.71	0.22
Interest	7.02	-
Total	140.78	103.35
PBT	702.60	257.02
Taxes	18.71	12.52
PAT	683.89	244.51
EPS (Rs)	2.85	1.02

Reliance Power Limited

Corporate Governance Report

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India and some of the best practices on Corporate Governance, the report containing the details of governance systems and processes at Reliance Power Limited is as under:

Reliance Power Limited has maintained the highest standards of corporate governance principles and best practices by adopting the **"Reliance Anil Dhirubhai Ambani Group – Corporate Governance Policies and Code of Conduct"** as is the norm for all constituent companies in the group. These Policies and Code prescribe a set of systems, processes and principles, which conform to the best 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.

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government, lenders and the society. The Company believes that all its operations and actions must serve the underlying goals of enhancing long-term shareholder value.

In our commitment to practice sound governance principles, we are guided by the following core principles:

1. **Transparency**
To maintain the highest standards of transparency in all aspects of our interactions and dealings.
2. **Disclosures**
To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.
3. **Empowerment and Accountability**
To demonstrate the highest levels of personal accountability and ensure that employees consistently pursue excellence in everything they do.
4. **Compliances**
To comply with all the laws and regulations as applicable to the Company.
5. **Ethical conduct**
To conduct the affairs of the Company in an ethical manner.
6. **Stakeholders' interests**
To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors, governments and the community.

Governance practices beyond regulatory requirements

Our governance practices go beyond the mere letter of statutory and regulatory requirements. With this in mind, we have formulated a number of policy documents and introduced the following set of governance practices:

- A. **Values and commitments**
We have set out and adopted policy documents on 'values and commitments' of Reliance Power. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.
- B. **Code of ethics**
Our policy document on 'code of ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.
- C. **Business policies**
Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety & environment and quality.
- D. **Separation of the Board's supervisory role from the executive management**
In line with the best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the posts of Chairman and CEO.
- E. **Prohibition of insider trading policy**
This document contains the policy on prohibiting trading in the equity shares of the Company, based on inside or privileged information.
- F. **Prevention of sexual harassment**
Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.
- G. **Whistle Blower policy**
Our Whistle Blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.
- H. **Environment policy**
The Company is committed to achieving excellence in environmental performance, preservation and

Corporate Governance Report

promotion of clean environment. These are of fundamental concern in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

i. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs.

ii. Board charter

The Board of Directors has adopted a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of various Board committees, etc.

iii. Board committees

The Board constituted Audit Committee, Nomination/Remuneration Committee and Shareholders'/Investors' Grievance Committee. The Board rotates the Chairman of these Committees once in two years.

iv. Tenure of independent director

Tenure of independent directors on the Board of the Company shall not extend nine years, subject to their re-appointment on retirement by rotation as per statutory provisions.

v. Independent director's interaction with shareholders

Member(s) of the Shareholders' / Investors' Grievances Committee interact with shareholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

vi. Lead independent director

Recognizing the need for a representative and spokesperson for the independent directors, the board has appointed an independent director as the lead independent director. The lead independent director performs the following roles in addition to the role of a non-executive independent director:

- preside over all executive sessions of the Board's independent directors;
- work closely with the Chairman to

finalise the information flow, meeting agendas and meeting schedules;

- liaise between the Chairman and the independent directors on the Board; and
- take a lead role along with the Chairman, in the Board evaluation process.

The board designated Dr Yogendra Narain as the lead independent director. The position of the lead independent director is rotated once in two years.

vii. Training of Board Members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with the necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws. In the current year this included seminars on GST, Direct Tax Code, IFRS, Companies Bill, Corporate Governance Guidelines, etc.

viii. Meeting of independent directors with operating team

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as, operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

Corporate Governance Report

ix. **Monitoring of subsidiaries**

The minutes of meetings of boards of subsidiary companies are periodically placed before the board of the Company.

x. **Commitment of directors**

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the board and its committees.

xi. **Participation of directors through audio / video conference**

The Company encourages / facilitates participation in the deliberations of the board by directors who are unable to attend any meeting of the board through audio / video conference, subject to their accessibility and availability.

K. **Governance practices being followed to promote the interests of our stakeholders**

We have introduced several trend setting governance practices to improve stakeholders satisfaction. Some of the major ones among them are:

i. **Employees**

In our relentless pursuit of driving, 'operational excellence', and our resolve to make Reliance Power a "Great Place to Work", we focus on evolving efficient and agile organization structures, relentlessly driving capability, leadership and culture building and acquiring, developing and retaining high quality talent. We review and revise our HR policies constantly to align to the market and industry benchmarks and making them increasingly transparent and employee-friendly. These policies have been extensively communicated to employees and automated.

We have a dedicated service portal which offers various online HR services and facilities to employees. Some of these facilities are; details of current and past salaries, income-tax computations, attendance and leave management, goal setting with relevant Key Performance Indicators (KPIs), potential assessment module, performance evaluation system, feedback mechanism, reward and recognition policy, grievance redressal system, exit interviews, training and development module, etc.

We regularly conduct an employee engagement survey through an independent external organization aimed to identify the areas of strengths as well as those which need improvement. The results of this survey are communicated to all employees and appropriate action is initiated to enhance employee satisfaction based on their feedback. As a means of providing accelerated career growth to high performing talent, we have a pilot program of assessment centers, wherein employees who have a proven track record are put through a rigorous assessment program for higher role.

We have institutionalised a leadership development process, linked to Reliance DNA & leadership competencies, which identifies high potential talent on a periodic basis and provides necessary learning interventions to help them take on larger responsibilities and roles.

ii. **Shareholders**

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. To ensure this, the Company's corporate website; www.reliancepower.co.in has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Shareholders can contact RPower via dedicated shareholders contact points as provided in this report or through any of Investor Service Centers of the Company's Registrars and Transfer Agents spread in more than 80 cities across India, details of which are available on the Company's website.

iii. **Lenders**

The Company has been prompt in honoring all debt obligations to its lenders.

iv. **Society**

The Company, in keeping with its Corporate Social Responsibility policy, focuses on healthcare, education, and other social initiatives.

Corporate Governance Report

L. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

M. Independent Statutory Auditors

The Company's accounts are audited by a panel of two leading independent audit firms as follows:

- M/s Price Waterhouse, Chartered Accountants.
- M/s Chaturvedi & Shah, Chartered Accountants.

Compliance with clause 49 of the listing agreement

The Company is fully compliant with the mandatory requirements of Clause 49 of the listing agreement formulated by the Securities and Exchange Board of India.

We present our report on compliance of governance conditions specified in Clause 49 of the listing agreement:

I. Board of Directors

1. Board Composition - Board strength and representation

The current strength of the Board of Directors of the Company is six.

The composition of and the category of directors on the Board of the Company were as under:

Category	Particulars of the Directors
Promoter, Non-Executive and Non-Independent Director	Shri Anil D Ambani, Chairman
Independent Directors	Shri S L Rao Shri J L Bajaj Dr Yogendra Narain
Non-Executive and Non-Independent Director	Dr V K Chaturvedi
Executive Director	Shri K H Mankad Whole-time Director

Notes:

- a. None of the Directors is related to any other director.
- b. None of the Directors has any business relationship with the Company.
- c. None of the Directors received any loans and advances from the Company during the year.
- d. All the independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

The Company has appointed Shri Paresh Rathod, Company Secretary as the Manager of the Company in terms of provisions of the Companies Act, 1956, for a period of five years with effect from April 28, 2008.

2. Conduct of Board proceedings

The day to day business is conducted by the executives and Business heads of the Company under the direction of whole-time director and the supervision of the board led by the Chairman. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management.

- review, monitor and approve major financial and business strategies and corporate actions;
- assess critical risks facing the Company - review options for their mitigation;
- provide counsel on the selection, evaluation, development and compensation of senior management;
- ensure that processes are in place for maintaining the integrity of:
 - a. the Company;
 - b. the financial statements;
 - c. compliance with laws;
 - d. relationships with all the stakeholders;
- delegation of appropriate authority to the senior executives of the Company for effective management of operations.

3. Board meetings

The Board held five meetings during FY 2009-10 on April 23, 2009, July 29, 2009, October 27, 2009, January 29, 2010 and March 6, 2010. The maximum time gap between any two meetings was 96 days and the minimum gap was 35 days.

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The Board periodically reviews compliance reports of all laws applicable to the Company.

4. Standards issued by ICSI

The Institute of Company Secretaries of India (ICSI) has issued various 'Secretarial Standards' on key corporate functions like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of common Seal, Forfeiture of Shares and Board's Report.

5. Attendance of Directors and other Directorship

Although these standards are not mandatory, the Company adheres to them voluntarily.

The overall attendance of directors at the Board Meetings and the AGM was 93 per cent. It is proposed to introduce tele-conferencing and video-conferencing facilities immediately upon amendment to the relevant statutes, in order to ensure participation of directors in the deliberation of all meetings of the board.

Attendance of the Directors at the Board Meetings held during 2009-10 and the last Annual General Meeting (AGM) held on July 28, 2009, details of directorships (calculated as per provisions of Sections 275 and 278 of the Companies Act, 1956), committee / memberships/chairmanships, held by directors in public companies as on March 31, 2010:

Name of Directors	Number of Board Meetings attended out of five meetings held	Attendance at the Last AGM	No. of Directorship (including RPower)	Committee(s) ¹ position (including RPower)	
				Member ²	Chairman
Shri Anil D Ambani	4	Present	7	3	1
Shri S L Rao	5	Present	6	7	4
Shri J L Bajaj	5	Present	5	5	3
Dr Yogendra Narain	4	Present	1	1	None
Dr V K Chaturvedi	5	Present	1	2	None
Shri K H Mankad	5	Present	4	1	1

Notes:

- The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the listing agreement:
 - Audit committee
 - Shareholders'/investors' grievances committee
- Membership of committees includes chairmanship, if any.

6. Other directorships

None of the Director hold directorships in more than 15 public limited companies.

7. Membership of Board committees

None of the Director has membership of more than 10 committees of Board and Chairmanship of more than 5 committees of the Board.

8. Details of Directors

The abbreviated resumes of all directors are furnished hereunder:

Shri Anil Dhirubhai Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil Dhirubhai Ambani, (51), is the Chairman of Reliance Communications Limited, Reliance Capital Limited, Reliance

Infrastructure Limited, Reliance Natural Resources Limited and Reliance Power Limited. He is also on the Board of Reliance Infratel Limited and Reliance Anil Dhirubhai Ambani Group Limited. He is the president of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat.

An MBA from the Wharton School of the University of Pennsylvania, Shri Ambani is credited with pioneering several path-breaking financial innovations in the Indian capital markets. He spearheaded the country's first forays into overseas capital markets with international public offerings of global depository receipts, convertibles and bonds. Under his Chairmanship, the constituent companies of the Reliance Anil Dhirubhai Ambani group have raised nearly US\$ 7 billion from global financial markets in a period of less than 3 years.

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Shri Ambani has been associated with a number of prestigious academic institutions in India and abroad.

He is currently a member of:

- Wharton Board of Overseers, The Wharton School, USA
- Board of Governors, Indian Institute of Management (IIM), Ahmedabad
- Executive Board, Indian School of Business (ISB), Hyderabad.

In June 2004, Shri Ambani was elected as an Independent member of the Rajya Sabha – Upper House, Parliament of India, a position he chose to resign voluntarily on March 29, 2006.

Select Awards and Achievements

- Awarded by Light Readings as the Person of the Year – 2008 for outstanding achievements in the communication industry.
- Voted 'the Businessman of the Year' in a poll conducted by The Times of India – TNS, December 2006
- Voted the 'Best role model' among business leaders in the biannual Mood of the Nation poll conducted by India Today magazine, August 2006
- Conferred 'the CEO of the Year 2004' in the Platts Global Energy Awards
- Conferred 'The Entrepreneur of the Decade Award' by the Bombay Management Association, October 2002
- Awarded the First Wharton Indian Alumni Award by the Wharton India Economic Forum (WIEF) in recognition of his contribution to the establishment of Reliance as a global leader in many of its business areas, December 2001

Shri S L Rao, (74), is a professional manager and applied economist, a widely read newspaper columnist, writer and speaker on management, consumer markets, the economy and energy issues. He taught marketing in the most reputed management schools in India as visiting faculty. He was a Visiting Fellow at the Indian Ocean Centre, Australia (1996-98). From 1990 to 1996 he was Director – General of the National Council of Applied Economic Research (NCAER), a premier research institution in India, which during his tenure, was known the world over for its data on Indian markets, human development indicators, social infrastructure and economic forecasting. He was the first Chairman of the Central Electricity Regulatory Commission (CERC) in 1998. His leadership

made CERC highly regarded for its independence, transparency and objectivity. He has worked in industry and as a consultant for 28 years. He was President of the Madras Management Association (1983-84) and All India Management Association (1985-86), a founder and former Vice President of the People's Union for Civil Liberties in Tamil Nadu (1981-84). He was founder Chairman of the Forum of Indian Regulators. He has co-authored or edited 13 books and articles on the economy and management. His writings and active participation contributed to the formation of the Indian Ocean Region as a zone for economic cooperation. He was awarded the Ravi J Mathai Fellowship Award by the Association of Indian Management Schools in 2001.

He is Columnist: Telegraph, Deccan Herald, Member of the Board of Governors, The Institute for Social and Economic Change, Bangalore, Trustee, Aga Khan Foundation of India Committee, Board of Governors of Indian Institute of Management, Lucknow, Member of General Committee and Energy Committee, Bangalore Chamber of Commerce and Industry, Trustee, Madras Craft Foundation, Trustee, CIRC-CUTS Institute of Regulation and Competition, Jaipur, Trustee, Bangalore International Centre, Chairman, Task Force on Infrastructure and Mega projects, Commission on Centre State Relations and Member, Board of Governors, Institute for Integrated Learning and Management, Delhi. He has written 13 books, the latest being "From Servants to Masters?, The Evolution of Professional Management in India" (2007) and hundreds of articles in newspapers and journals.

He is on the Board of Honeywell Automation India Limited, Kanoria Chemicals and Industries Limited, Reliance Natural Resources Limited, Reliance Infrastructure Limited, Rain CII (Carbon) India Limited and other private limited companies. He is the Chairman of the Audit Committee of Honeywell Automation India Limited, Reliance Infrastructure Limited, Reliance Natural Resources Limited and Rain CII (Carbon) India Limited. He is the Member of the Audit Committee as well as Shareholders/Investors Grievances Committee of the Company and Member of Shareholders/Investors Grievances Committee of Reliance Natural Resources Limited. Shri Rao does not hold any shares of the Company as of March 31, 2010.

Shri J L Bajaj, (71), is former Chairman of Uttar Pradesh Electricity Regulatory Commission (UPERC). He retired from the Indian Administrative Service in the rank of Secretary to Government of India. In Government of India, he held positions as Advisor (Industry) Planning Commission and Additional Secretary in the Department of Economic Affairs. He was also Chairman, Administrative Reforms and Decentralisation Commission, Agriculture Production Commissioner, Secretary Planning and Secretary Finance in the Government of Uttar Pradesh. He has conducted studies for national and international

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institutions including the World Bank, Department for International Development (DFID) and United Nations Development Programme (UNDP). He has advised Governments and institutions in Malaysia, Sri Lanka, Jamaica, China and Mongolia as well as State Governments in India. He has authored a number of books and articles which have been published in national and international journals. He is on the Board of IL &FS Trust Company Limited, Reliance Natural Resources Limited and Power Transmission Corporation of Uttarakhand Limited.

He is a Member of Audit Committee and Chairman of Shareholders/Investors' Grievances Committee of Reliance Natural Resources Limited, Member of audit committee of IL&FS Trust Company Limited, Chairman of Audit committee as well as Shareholders/Investors' Grievances Committee of the Company. Shri Bajaj holds 27 shares in the Company as of March 31, 2010.

Dr Yogendra Narain, (67), is a former Secretary-General, Rajya Sabha - the Upper House of the Parliament of India. Dr Yogendra Narain retired from the Indian Administrative Services after serving for over 42 years. He has worked in various capacities in the administration in the State of Uttar Pradesh and the Government of India. He served as Principal Secretary, Power and Irrigation, Uttar Pradesh. He also served as the Principal Secretary to the Governor, Uttar Pradesh; as Secretary, Ministry of Surface Transport, Government of India; Chief Secretary, Government of Uttar Pradesh and Defence Secretary to the Government of India. He is also the founder-Chairman of the Greater NOIDA Industrial Development Authority and the founder-Chairman of the National Highways Authority of India. Dr Narain holds degrees such as B.Sc., M.A. (Political Science), Diploma in Development Economics, M. Phil and Ph. D. He is member of Audit Committee of the Company. Dr Narain does not hold any shares in the Company as of March 31, 2010.

Dr V K Chaturvedi, (67), is a former Chairman and Managing Director of Nuclear Power Corporation of India Limited. In the past, he has also served as a Member of the Atomic Energy Commission, Government of India and Chairman, World Association of Nuclear Operators (WANO), Tokyo Centre. In year 2002-03, he was a Governor in the International WANO Board. Dr Chaturvedi is a gold medalist in mechanical engineering (1965 batch) from Vikram University and later he did his post-graduation in nuclear engineering from BARC training school, Mumbai. He has over 43 years of experience in design, construction, commissioning and operation of nuclear power plants. He was conferred the 'Padma Shri' in the year 2001, one of India's highest civilian awards. He is also a recipient of number of other prizes and awards. He is presently Member of Audit Committee and Shareholders /Investors Grievances Committee of the Company. Dr. Chaturvedi does not hold any shares in the Company as of March 31, 2010.

Shri K H Mankad, (67), is the Whole-time Director of the Company. Shri Mankad is a Bachelor of Commerce and Laws. He is an Associate Member of the Institute of Chartered Accountants of India, an Associate Member of the Institute of Company Secretaries of India and an Associate Member of the Institute of Cost and Works Accountants of India. He has over 40 years of experience in corporate finance, taxation, accounts, management and laws. He was last employed with Reliance Infrastructure Limited and was its Director (Finance). He is also on the Boards of Sonata Investments Limited, Reliance World Limited and Reliance Property Developers Limited. Shri Mankad does not hold any shares in the Company as of March 31, 2010.

9. Insurance Coverage

The Company has obtained Directors and Officers liability insurance coverage in respect of any legal action that might be initiated against directors.

II. Audit Committee

In terms of Clause 49 of the listing agreement as well as Section 292A of the Companies Act, 1956, the Board has constituted Audit Committee of the Board of Directors at its meeting held on 30th September, 2007. The audit committee consists of Shri J L Bajaj, Shri S L Rao, Dr Yogendra Narain and Dr V K Chaturvedi. The Audit Committee is chaired by Shri J L Bajaj, who has a wide experience on economic and financial issues. All members of the Committee are financially literate. The Audit Committee, inter alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved. The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49(II)(D) and (E) of the listing agreement as follows:

- i. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
- ii. Recommending the appointment, reappointment and replacement/removal of statutory auditor and fixation of audit fee.
- iii. Approving payment for any other services rendered by statutory auditors.
- iv. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - a. matters required to be included in the Directors' Responsibility statement included in the report of the Board of Directors;

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- b. any changes in accounting policies and practices and reasons thereof;
- c. major accounting entries based on exercise of judgment by management;
- d. qualifications in draft audit report;
- e. significant adjustments arising out of audit;
- f. compliance with listing and other legal requirements concerning financial statements;
- g. disclosure of any related party transactions.
- v. Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Reviewing with the management, the performance of the external and internal auditors, the adequacy of internal control systems.
- viii. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix. Discussion with internal auditors on any significant findings and follow up thereon.
- x. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xi. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- xiii. To review the functioning of the Whistle Blower mechanism.
- xiv. To approve appointment of Chief Financial Officer after assessing qualification, experience, and background etc.
- xv. Carrying out all other functions as is mentioned in the terms of reference of the Audit Committee
- xvi. Review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Internal audit reports relating to internal control weaknesses;
 - c. Management letters / letters of internal control weaknesses issued by statutory auditors;
 - d. Statement of significant related party transactions; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor

The Audit Committee has the following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek any information from any employee.
- iii. to obtain outside legal and professional advice.
- iv. to secure attendance of outsiders with relevant expertise, if it considers it necessary.

The Audit Committee held its meetings on April 22, 2009, July 29, 2009, August 11, 2009, October 26, 2009 and January 28, 2010 and the maximum gap between any two meetings was 98 days and the minimum gap was 12 days.

Attendance at the meetings of the Audit Committee

Members	Meetings held during the tenure of directors	Meetings attended
Shri J L Bajaj, Chairman	5	5
Shri S L Rao	5	5
Dr Yogendra Narain	5	3
Dr V K Chaturvedi	5	5

Shri S L Rao, the past Chairman of the Audit Committee was present at the last Annual General Meeting.

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The meeting considered all the points in terms of its reference at periodic intervals.

Shri Paresh Rathod, Company Secretary, acts as the Secretary to the audit committee.

During the year, the committee discussed with the Company's auditors the overall scope and plans for the independent audit. The Management represented to the committee that the Company's financial statements were prepared in accordance with prevailing laws and regulations. The committee discussed the Company's audited financial statements, the rationality of significant judgments and the clarity of disclosures in the financial statements. Based on the review and discussions conducted with the Management and the auditors, the audit committee believes that the Company's financial statements are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the committee found no material discrepancy or weakness in the internal control systems of the Company. The committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The committee, after review expressed, its satisfaction on the independence of both the internal and the statutory auditors.

Based on the committee's discussion with the Management and the auditors and the committee's review of the representations of the Management,

the committee has recommended the following to the Board of Directors:

1. The audited annual financial statements of the Company for the year ended March 31, 2010, be accepted by the Board as a true and fair statement of the financial status of the Company.
2. The audited abridged financial statements of the Company for the year ended March 31, 2010, be accepted by the Board as a true and fair statement of the financial status of the Company.
3. The audited consolidated financial statements of the Company and its subsidiaries for the year ended March 31, 2010, be accepted by the Board as a true and fair statement of the financial status.

III. Nomination / Remuneration Committee

The Nomination/Remuneration Committee of the Board is constituted to formulate from time to time (a) process for selection and appointment of new directors and succession plans and (b) recommend to the Board from time to time, a compensation structure for directors and the manager. The Nomination/Remuneration Committee comprises of Dr V K Chaturvedi, Shri S L Rao and Shri J L Bajaj. Dr V K Chaturvedi is the Chairman of the Committee.

No meeting was held during the year 2009-10.

Shri Paresh Rathod, Company Secretary, acts as the Secretary to the Nomination / Remuneration Committee.

Except Shri K H Mankad, all directors, being non - executive, are paid sitting fees for attending the meetings of the Board and its committees.

Remuneration paid to directors (excluding contribution to gratuity fund and provision for leave encashment on retirement) during 2009-10

Rs in lakh				
Name	Position	Sitting Fee	Salary & Perquisite	Total
Shri Anil D Ambani	Chairman	1.00	Nil	1.00
Shri S L Rao	Director	3.00	Nil	3.00
Shri J L Bajaj	Director	3.00	Nil	3.00
Dr Yogendra Narain	Director	1.40	Nil	1.40
Dr V K Chaturvedi	Director	3.40	Nil	3.40
Shri K H Mankad	Whole-time Director	Nil	47.41	47.41
Total		11.80	47.41	59.21

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Notes :

- a. The salary and perquisites include all fixed elements of remuneration i.e. salary and other allowances and benefits.
- b. The Company did not pay any amount to directors by way of commission.
- c. The Company has so far not issued any stock options to its directors.
- d. The Company did not pay bonus and any incentive to the Executive Director.
- e. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.

- f. Pursuant to the limits approved by the Board, all directors being non executive, are paid sitting fees of Rs 20,000 for attending each meetings of the Board and its committees.

Criteria for making payments to Non-Executive Directors

The remuneration to non executive directors is benchmarked with the relevant market and performance oriented, balanced between financial and sectoral market, comparative scales, aligned to Corporate goals, role assumed and number of meetings attended.

Details of service contract:

Name	Date of initial appointment	Current Tenure	From	To
Shri K H Mankad	November 7, 2007	3 Years	November 7, 2007	November 6, 2010

For any termination of service contract, the Company or the executive director is required to give a notice of 3 months or pay three months' salary in lieu thereof to the other party.

Equity Shares held by Directors

The shares held by the Non-Executive Directors in the Company as on March 31, 2010 are as under:

Name	No. of Shares
Shri Anil D Ambani	*1,000
Shri J L Bajaj	27
Shri S L Rao	Nil
Dr Yogendra Narain	Nil
Dr V K Chaturvedi	Nil

* Shares held jointly with AAA Project Ventures Private Limited

Managerial remuneration policy

The Nomination/Remuneration Committee determines and recommends to the Board, the compensation of the directors and the manager. The key components of the Company's remuneration policy are:

- compensation will be a major driver of performance.
- compensation will be competitive and benchmarked with a select group of companies from the utility sector.
- compensation will be transparent, fair and simple to administer.
- compensation will be fully legal and tax compliant.

IV. Shareholders/ Investors' Grievance Committee

The Shareholders/Investors' Grievance Committee comprising Shri J L Bajaj as Chairman and Shri S L Rao and Dr V K Chaturvedi as members. The Company has appointed Karvy Computershare Private Limited to act as Registrar and Transfer Agent of the Company.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also monitors redressal of investor's grievances. Particulars of investors' grievances received and redressed are furnished in the Investor Information Section of this Report. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Shri Paresh Rathod, Company Secretary acts as the Secretary to the Shareholders/Investors' Grievance Committee.

The Shareholders / Investors' Grievance Committee held its meetings on April 22, 2009, July 29, 2009, October 26, 2009 and January 28, 2010 and the maximum gap between any two meetings was 97 days and the minimum gap was 88 days.

The composition of the Committee and the number of meetings held during the year are furnished hereunder.

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Attendance of members at the meeting of the Shareholders' / Investors' Grievance Committee held during 2009-10:

Name	Meetings held during the tenure of directors	Meetings attended
Shri J L Bajaj	4	4
Shri S L Rao	4	4
Dr V K Chaturvedi	4	4

Overall attendance: 100 per cent

V. Compliance Officer

Shri Paresh Rathod, Company Secretary and Manager is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 4,261. There were no complaints pending as on March 31, 2010. The details of period taken for transfer of shares and nature of complaints are furnished in the investor information section of this annual report.

There were no pending requests for transfers of shares and dematerialisation as on March 31, 2010.

VIII. General Body Meetings

The Company held its last three Annual General Meetings as under :

Year	Date and Time	Venue	Whether Special Resolution(s) passed or not
2008-09	July 28, 2009 11.00 a.m	Birla Matushri Sabhaghar 19 Sir Vithaldas Thackersey Marg Mumbai 400 020	Yes (one)
2007-08	September 23, 2008 11.00 a.m.	Birla Matushri Sabhaghar 19 Sir Vithaldas Thackersey Marg Mumbai 400 020	No
2006-07	June 2, 2007 3.00 p.m.	3rd Floor, Reliance Energy Centre Santa Cruz (East) Mumbai 400 055	No

IX. Postal Ballot

During the year, no special resolution was passed through postal ballot.

None of the businesses proposed to be transacted in the ensuing annual general meeting require passing of special resolution through postal ballot.

VI. Employees Stock Option Scheme (ESOS) Compensation Committee

The ESOS Compensation Committee comprises of three directors i.e. Shri S L Rao and Shri J L Bajaj, Independent Directors and Dr V K Chaturvedi, Non-executive Director. Shri S L Rao is the Chairman of the Committee. Shri Paresh Rathod, Company Secretary acts as the Secretary to the ESOS Compensation Committee.

One meeting of the ESOS Compensation Committee was held during the year on March 6, 2010 which was attended by all the directors.

VII. Employee Stock Option Scheme

In order to share the growth in value and reward employees for having participated in the success of the Company, the ESOS Compensation Committee approved and implemented the Employee Stock Option Scheme (the Scheme). The Committee has approved to grant 2,00,00,000 Options with Three Tier Model being Founders Club, Pioneers Club and Growth Club to the eligible employees based on specified criteria under Employee Stock Option Plan (Plan), which covers eligible employees of the Company, its subsidiaries and holding company. The Plan is prepared in due compliance of Scheme, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws. The Options will vest at the end of one year from the date of Grant and shall be eligible for exercise up to a period of nine years from the date of Vesting under the Plan.

X. Means of communication

- Quarterly Results:** Quarterly Results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily Marathi vernacular newspaper and are also posted on the Company's website www.reliancepower.co.in.

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- b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company in a downloadable form, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Company to our investors, in a user-friendly manner.
- d. **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.
- e. **Chairman's Communique:** Printed copy of the Chairman's Speech is distributed to the shareholders at the Annual General Meetings. The same is also posted on the website of the Company.
- f. **Corporate Filing and Dissemination System (CFDS):** The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE & NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the stock exchanges.
- g. **Unique Investor helpdesk:** Exclusively for investor servicing the Company has set up a unique investor Help Desk with multiple access modes as under:
 - Toll free no. (India) : 1800 4250 999
 - Telephone nos. : +91 40 4433 8100
: +91 40 4030 8000
 - Fax no. : +91 40 2342 0859
 - Email : rpower@karvy.com
 - Post your request : <http://kcpl.karvy.com/adag>

- h. **Designated Exclusive email-id:** The Company has also designated the email-id reliancepower.investors@relianceada.com exclusively for investor servicing.
- i. **Shareholders' Feedback Survey:** The Company regularly sent feedback form seeking shareholders' views on various matters relating to investor services and the Annual Report of the Company. The feedback received from the shareholders was placed before the Shareholders' / Investors' Grievance Committee.

XI. Compliance with other mandatory requirements

1. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this annual report and includes discussions on various matters specified under clause 49(IV)(F) of the listing agreement.

2. Subsidiaries

The Company does not have any material non-listed subsidiary Company and hence, it is not required to have an independent director of the Company on the Board of such subsidiary company. The minutes of the meetings of the Board of Directors of subsidiary companies are placed before the Meeting of the Board of Directors of the Company and the attention of the directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

3. Disclosures

3.1 There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

3.2 Related Party Transactions

The details of all significant transactions with related parties are periodically placed before the audit committee. The Company has entered into related party transactions as set out in the notes to accounts, which are not likely to have a conflict with the interest of the Company.

3.3 Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed under Companies (Accounting Standards) Rules, 2006, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

Corporate Governance Report

3.4 Disclosures on Risk Management

The Company has laid down robust Risk Management Policy defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

3.5 Code of Conduct

The Company has adopted the code of conduct and ethics for directors and senior management. The code had been circulated to all the members of the Board and senior management and the same had been put on the Company's website www.reliancepower.co.in. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Manager of the Company appointed in terms of the Companies Act, 1956 (i.e the CEO within the meaning of clause 49-V of the listing agreement) is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2009-10."

Paresh Rathod
Manager

3.6 CEO and CFO Certification

The Chief Financial Officer and the Manager of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement.

3.7 Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2010 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XII. Policy on insider trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('the Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Board has appointed Shri Paresh Rathod, Company Secretary as the Compliance Officer under the Code responsible for

complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods. The Company's updated Code is available on the Company's website.

XIII. Compliance with non-mandatory requirements

1 Tenure of independent directors on the Board

The tenure of Independent Directors on the Board of the Company shall not exceed nine years in aggregate.

2 Nomination/Remuneration Committee

The Board has set up a Nomination/Remuneration Committee details whereof are furnished at serial No 3 of this Report.

3 Shareholder rights

The quarterly financial results including summary of significant events of relevant period are published in newspapers and posted on the website of the Company.

4 Audit qualifications

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

5 Training of Board members

A programme has been devised to train Board members in the business model of the Company, risk profile of the business parameters and their responsibilities as directors.

6 Whistle blower policy

The Company has formulated a policy to prohibit managerial personnel from taking adverse action against employees who are disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, gross waste or misappropriation of public funds, substantial and specific danger to public health and safety or an abuse of authority.

The policy also lays down the mechanism for making enquiry into whistle blower complaint received by the Company. Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the audit committee.

Corporate Governance Report

Employees knowingly making false allegations of alleged wrongful conduct to the audit committee shall be subject to disciplinary action. No personnel of the Company has been denied access to the Grievance Redressal mechanism of the Company.

XIV. Corporate Governance Voluntary Guidelines 2009

During the year the Ministry of Corporate Affairs, Government of India, has released the "Corporate Governance Voluntary Guidelines 2009". These guidelines are intended to serve as a benchmark for corporates to help them to adopt highest standard of corporate governance. These guidelines do not substitute any extant law or regulation but are essential for voluntary adoption by the corporates. The Company is already in compliance with most of the requirements and has initiated action for appropriate compliance.

XV. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on 'Investor Information' elsewhere in this Annual Report.

Auditor's certificate on corporate governance

The Auditors certificate on compliance of clause 49 of the listing agreement relating to corporate governance is published elsewhere in this report.

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Power, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

Reliance Power Limited

Investor Information

Annual General Meeting (AGM)

The Sixteenth AGM of the Company will be held as per the following schedule:

Day and date	: Tuesday, September 28, 2010
Time	: 10.00 a.m.
Venue	: Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg New Marine Lines Mumbai 400 020

Financial Year of the Company

The financial year of the Company is from April 1 to March 31, each year.

Registrar and Transfer Agents (RTA)

Karvy Computershare Private Limited
Unit: Reliance Power Limited
Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13C, Madhapur Village
Hyderabad 500 081, Andhra Pradesh, India
Tel nos. : +91 40 4433 8100 / 4030 8000
Fax no. : +91 40 2342 0859
e-mail : rpower@karvy.com

Shareholders/Investors are requested to forward share transfer documents, dematerialisation requests and other related correspondence directly to Karvy Computershare Private Limited at the above address for speedy response.

Date of Book Closure: From Wednesday, September 15, 2010 to Tuesday, September 28, 2010 (both days inclusive).

Key Financial Reporting Dates for the Year 2010-11

Unaudited Results for the First Quarter ended June 30, 2010	: On or before August 14, 2010
Unaudited Results for the Second Quarter / half year ended September 30, 2010	: On or before November 14, 2010
Unaudited Results for the Third Quarter ended December 31, 2010	: On or before February 14, 2011
Audited Results for the Financial Year 2010-11	: On or before May 31, 2011

Nomination facility

Individual shareholders holding shares in physical form can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to her/his name. For further details, shareholders may write to the RTA of the Company or visit the investor relations section at our website www.reliancepower.co.in.

Share Transfer System

Shareholders / Investors are requested to send share transfer related documents directly to our Registrar and Transfer Agent whose address is given elsewhere in this report. The Board has delegated powers to the executives of the Company and RTA to approve transfers/transmission / dematerialisation / rematerialisation. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by our RTA.

Unclaimed fractional bonus warrants

The Company had issued fractional bonus warrants in lieu of fractional entitled of bonus share pursuant to the bonus shares allotted to them on June 11, 2008. Members who have so far not encashed their fractional bonus warrants or not have received the fractional bonus warrants are requested to seek issuance of duplicate fractional bonus warrant. The members may write to Karvy Computershare Private Limited, the RTA of the Company for payment of unclaimed fractional bonus amount.

Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969)

The following persons constitute the Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), which exercises, or is established to be in a position to exercise control directly or indirectly, over the Company.

Shri Anil Dhirubhai Ambani, Smt Tina A. Ambani, Smt Kokila D Ambani, Shri Jai Anmol Ambani, Master Jai Anshul Ambani, K D Ambani Trust, Fidelity Shares and Securities Private Limited, Gaylord Investments and Trading Private Limited, Guruvas Textiles Private Limited, Hansdhvani Trading Company Private Limited, KDA Enterprises Private Limited, Shreeji Comtrade LLP, Guruvas Commercials LLP, Shrikrishna Tradecom LLP, Lord Comtrade LLP, Krupa Commercials LLP, Dhvani Enterprises LLP, Reliance Innoventures Private Limited, AAA Enterprises Private Limited, AAA Communication Private Limited, AAA Project Ventures Private Limited, AAA Power Systems (Global) Private Limited, AAA Pivotal Enterprises Private Limited, AAA Infrastructure Consulting & Engineers Private Limited, AAA Entertainment Private Limited, AAA Industries Private Limited, AAA Communication Partners, AAA Enterprises Partners, AAA Project Ventures Partners, AAA Project Ventures Holdings Partners, RCom Holdings Partners, RCap Holdings Partners, RPower Holdings Partners, RInfra Holdings Partners, Reliance Innoventures Partners, Reliance ADA Group Holdings Partners, AAA Global Ventures Private Limited, AAA Corporate Services Private Limited, AAA & Sons Enterprises

Investor Information

Private Limited, AAA International Capital Private Limited, AAA Business Machines Private Limited, AAA Infrastructure Finance Management Private Limited, AAA Corporation Private Limited, AAA Facilities Solutions Private Limited, AAA Cap Advisory Services Private Limited, AAA Finance Management Private Limited, AAA Project Finance Management Private Limited, AAA Financial Services Private Limited, AAA Capital Finance Services Private Limited, AAA Resources Private Limited, AAA Home Entertainment Services Private Limited, AAA Micro Services Private Limited, AAA Integrated Services Private Limited, AAA Electrical Power Development Private Limited, Atlanta Advisory Services Private Limited, AAA Industrial Services Private Limited, Standard Management Services Private Limited, AAA Multi-Technologies Private Limited, AAA Software Technologies Private Limited, AAA Technical Services Private Limited, AAA Utility Ventures Private Limited, AAA Infoservices Private Limited, Ace Industrial Services Private Limited, Nationwide Communication Private Limited, Relcom Software Solutions Private Limited, Sealink Engineering Services Private Limited, AAA Capital Consultants Private Limited, Aricent Commercial Services Private Limited, AAA Engineering Services Private Limited, Acerock Infrastructure & Consulting Private Limited, Nationwide Networks Technologies Private Limited, Sealink Infra Technology Private Limited, Ambani Enterprises Private Limited, Dhirubhai Ambani Enterprises Private Limited, AAA Multivision Services Private Limited, Whitehills Mercantile Private Limited, Whitehills Corporate Services Private Limited, Feathertop Corporate Services Private Limited, Alpoft Techventures Private Limited, AAA Allied Services Private Limited, AAA Advisory Services Private Limited, AAA Infra Advising Services Private Limited, AAA Advertisement Private Limited, Jumbo Mercantile Private Limited, Atlantic Ventures Private Limited, Microtech Development Private Limited, AAA Illuminative Solutions Private Limited, AAA Infrastructure Solutions Private Limited, ADA Enterprises and Ventures Private Limited, Ambani Industries Private Limited, Ambani International Private Limited, Reliance Limited, Reliance India Private Limited, Reliance Enterprises and Ventures Private Limited, Reliance Big Private Limited, Shreenathji Krupa Project Management Private Limited, Shriji Krupa Endeavour Management Private Limited, Solaris Information Technologies Private Limited, Sevenstar Corporate Services Private Limited, Telecom Infrastructure Finance Private Limited, Trans-Pacific Advisory Services Private Limited, Trans-Americas Holding Private Limited, Trans-Atlantic Holdings Private Limited, AAA Infrastructure Investments

Private Limited, AAA Enterprises and Ventures Private Limited, AAA Telecom Holdings Private Limited, Quadro Mercantile Private Limited, AAA Commercial Enterprises Private Limited, Deltainfra Technology Private Limited, ADAE Global Private Limited, Ikosel Investments Limited, Reliance Anil Dhirubhai Ambani Group (UK) Private Limited, Reliance Anil Dhirubhai Ambani Investments (UK) Limited, Trans-Pacific Holdings Private Limited, Reliance Big Entertainment Private Limited, Big Flicks Private Limited, Big Animation (India) Private Limited, Jump Games Private Limited, ND's Art World Private Limited, Reliance Big Broadcasting Private Limited, Reliance Big News Private Limited, Reliance Entertainment Ventures Private Limited, Zapak Digital Entertainment Limited, Reliance MediaWorks Limited, Digital Media Imaging Limited, Adlabs Distributors and Exhibitors Limited, Big Synergy Media Limited, Reliance Media World limited. Limited, Reliance Capital Limited, Reliance General Insurance Company Limited, Quant Capital Private Limited, Quant Broking Private Limited, Quant Securities Private Limited, Quant Commodities Private Limited, Quant Commodity Broking Private Limited, Reliance Net Limited, Reliance Land Private Limited, Reliance Communications Limited, Reliance Infratel Limited, Reliance Communications Infrastructure Limited, Reliance Telecom Limited, Reliance Infrastructure Limited, Reliance Power Transmission Limited, Reliance Energy Generation Limited, Reliance Energy Limited, Reliance Energy Trading Limited, Reliance Infraprojects Limited, Reliance Cementation Private Limited, Reliance Infraventures Limited, Reliance Property Developers Limited, Reliance Futura Limited, Reliance Prima Limited, Sonata Investments Limited, Reliance Natural Resources Limited.

The above disclosure has been made, inter alia, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Depository Services: For guidance on depository services, shareholders may write to the RTA of the Company or National Securities Depository Limited, Trade World, 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Telephone: +91 22 24994200, Fax : +91 22 24972993 / 24976351, e-mail : info@nsdl.co.in, website : www.nsdl.co.in or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai 400 023. Telephone:+91 22 2272 3333 Fax: +91 22 2272 3199/2072, website: www.cdsindia.com, e-mail: investors@cdslindia.com

Reliance Power Limited

Investor Information

Stock Exchanges on which the shares of the Company are listed

- i. National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051
Tel nos. : +91 22 2659 8235 / 8236
Fax nos. : +91 22 2659 8237 / 38
e-mail : cmlist@nse.co.in
website : www.nseindia.com
- ii. Bombay Stock Exchange Limited (BSE)
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort Mumbai 400 001
Tel nos. : +91 22 2272 1233 / 34
Fax nos. : +91 22 2272 2037 / 39 / 41 / 61
E-mail : corp.relations@bseindia.com
website : www.bseindia.com

The listing fees payable to BSE & NSE for 2010-11 have been paid in full by the Company.

(i) Stock Codes/Symbol

Bombay Stock Exchange Limited : 532939
National Stock Exchange of India Limited : RPOWER

(ii) Demat ISIN number in NSDL and CDSL for equity shares: INE614G01033

The annual custodian fees for the Financial Year 2010-11 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(iii) Corporate Identity Number (CIN)

Our CIN, allotted by the Ministry of Corporate Affairs, Government of India, is U40101MH1995PLC084687, and our Company is registered within the jurisdiction of the Registrar of Companies, Maharashtra, Mumbai.

Stock Price and Volume

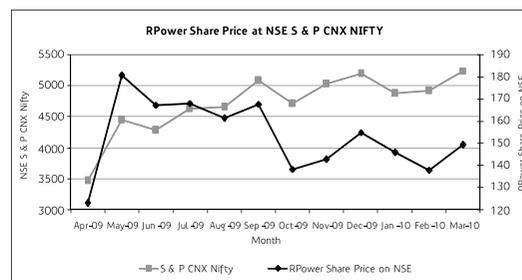
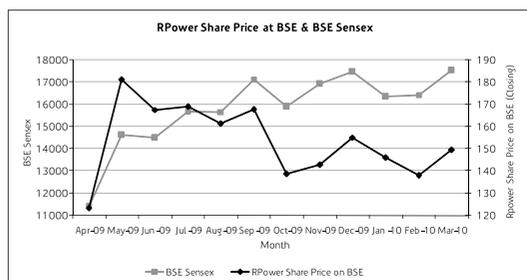
Monthly high and low quotations as also the volume of shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

2009 - 10	Bombay Stock Exchange			National Stock Exchange		
	High Rs	Low Rs	Volume No. of shares	High Rs	Low Rs	Volume No. of shares
April '09	134.40	101.30	5,87,23,155	134.85	101.25	12,32,52,165
May '09	189.80	125.25	6,27,05,611	185.75	125.55	14,97,23,250
June '09	210.00	165.10	9,14,41,851	210.00	165.15	20,92,99,262
July '09	180.90	139.25	5,03,90,534	180.50	139.20	11,85,71,650
August '09	173.80	153.80	2,81,87,166	172.15	153.60	6,69,51,542
September '09	175.00	158.00	2,53,12,859	175.00	157.50	6,19,65,937
October '09	169.80	138.00	1,64,32,345	168.75	137.70	4,35,80,395
November '09	155.35	133.40	1,84,15,700	155.25	133.55	4,32,29,421
December '09	157.50	142.50	2,19,78,531	164.80	141.00	5,38,94,873
January '10	164.80	141.50	1,55,59,437	164.40	140.90	3,88,79,909
February '10	149.65	136.50	92,35,150	149.60	136.00	2,23,58,591
March '10	154.50	138.00	1,27,23,118	154.55	138.60	3,27,39,822

An Index Scrip

The Equity shares of the Company are actively traded on bourses and included in almost all indices i.e. BSE-100, BSE-200, BSE-500, BSE Sectoral, S&P CNX Nifty, S&P CNX 500, CNX 100, S&P CNX Defty, CNX Infrastructure, CNX Energy, CNX Service and Futures and Options Trading.

Share price performance in comparison with broad based indices - Sensex (BSE) and Nifty (NSE)



Investor Information

Shareholding Pattern

Category	As on 31.03.2010		As on 31.03.2009	
	No. of shares	%	No. of shares	%
1 Promoters				
i. Reliance Infrastructure Limited	107,75,00,000	44.96	107,75,00,000	44.96
ii. AAA Project Ventures Private Limited and Others	95,45,00,000	39.82	95,45,00,000	39.82
Sub-total	203,20,00,000	84.78	203,20,00,000	84.78
2 Foreign Holdings				
i. Foreign Institutional Investors	8,81,61,912	3.68	9,14,97,354	3.82
ii. Non Resident Indians/Overseas Corporate Bodies	33,77,317	0.14	29,29,978	0.12
Sub-total	9,15,39,229	3.82	9,44,27,332	3.94
3 Banks, Financial Institutions, Insurance Companies, Governments	3,47,57,532	1.45	3,21,42,471	1.34
4. Mutual Funds and Unit Trust of India	68,05,247	0.28	65,90,934	0.27
5 Private Corporate Bodies	4,46,18,276	1.86	4,98,57,276	2.08
6. Indian Public/Others	18,70,79,716	7.81	18,17,81,987	7.58
Total	239,68,00,000	100.00	239,68,00,000	100.00

Distribution of shareholding

Number of shares	Number of Shareholders as on 31.03.2010		Total shares as on 31.03.2010		Number of Shareholders as on 31.03.2009		Total shares as on 31.03.2009	
	Holders	%	Shares	%	Holders	%	Shares	%
1 - 500	34,82,701	99.07	14,53,47,257	6.06	38,16,986	99.36	14,77,16,460	6.16
501 - 5,000	30,882	0.88	3,46,03,511	1.44	23,340	0.61	2,59,64,882	1.08
5,001 - 1,00,000	1,560	0.04	2,56,24,746	1.07	1,222	0.03	2,12,72,863	0.89
1,00,001 and above	173	0.00	219,12,24,486	91.42	174	0.00	220,18,45,795	91.87
Total	35,15,346	100.00	239,68,00,000	100.00	38,41,722	100.00	239,68,00,000	100.00

Investors' grievances attended

Received from	Received during April to March		Redressed during April to March		Pending as on	
	2009-10	2008-09	2009-10	2008-09	31.03.2010	31.03.2009
Securities and Exchange Board of India	936	17,175	979	17,132	0	43
Stock Exchanges	76	587	76	587	0	0
NSDL/CDSL	3	3	3	3	0	0
Other (ROC)	57	32	57	32	0	0
Direct from investors	3,189	46,325	3,243	46,956	0	54
Total	4,261	64,122	4,358	64,710	0	97

Reliance Power Limited

Investor Information

Analysis of Grievances

Particulars	Numbers		%	
	2009-10	2009-10	2008-09	2008-09
Non receipt of Refund Orders/ Credit of shares	1,904	44.68	34,279	53.46
Non receipt of Refund Orders	1,470	34.50	18,755	29.25
Non Credit of Shares/ Others	839	19.69	11,072	17.27
Non Credit of bonus Shares/ Others	9	0.21	6	0.01
Non receipt of fractional warrants	39	0.92	10	0.02
Total	4,261	100.00	64,122	100.00

Note:

- Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.
- The grievances relate to the IPO of the Company, which elicited more than 5 million applications, as well as related to bonus shares allotted.

Legal proceedings

There are certain pending cases relating to non-receipt of refund order and non-credit of shares in demat account, in which the Company is made a party. These cases are however, not material in nature.

Shareholder satisfaction survey

The Company constantly endeavours to extend the best of facilities and services to shareholders and intends to further improve the services standards. In response to the Shareholder Satisfaction Survey Response forms mailed to our shareholders alongwith Annual Report of 2008-09, the Company received response from shareholders, results of which are summarised hereunder:

Particulars	% of total responses received			
	Excellent	Good	Needs improvement	Total
Response to queries/complaints	75.10	14.80	10.10	100.00
Your overall rating of our investor service	84.62	7.69	7.69	100.00
Presentation of information on company website	53.85	38.46	7.69	100.00
Quality and Contents of Annual Report 2008-09	76.92	7.69	15.38	100.00

Dematerialisation of shares

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE614G01033. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI).

Status of dematerialization of shares as of March 31, 2010

Electronic holdings			Physical holdings			Total		
No. of beneficial owners	No. of Shares	%	No. of Folios	No. of Shares	%	No. of Shareholders	No. of Shares	%
35,15,112	239,67,68,564	100.00	204	31,436	0.00	35,15,316	239,68,00,000	100.00

The equity shares of the Company are actively traded on the Indian Stock Exchanges

Investor Information

Equity shares in the Suspense Account

As per clause 5A of the listing agreement, the Company reports that 1,61,996 equity shares are lying in the Suspense Account as on March 31, 2010.

Equity capital build-up

Dates	Particulars of issue / forfeiture	No. of shares (in '000)	Cumulative No. of shares (in '000)	Nominal value of shares (Rs in crore)
Upto 31.01.2008	Allotment(s) made prior to Initial Public Offering (IPO)	20,00,000	20,00,000	2,000.00
01.02.2008	Allotment of shares pursuant to Initial Public Offering (IPO)	2,60,000	22,60,000	2,260.00
11.06.2008	Issue of Bonus shares	1,36,800	23,96,800	2,396.80

Secretarial audit for reconciliation of Capital

The Securities and Exchange Board of India has directed vide circular No. D&CC/ FITTC/CIR-16/2002 dated December 31, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories, viz., NSDL and CDSL and in physical form with the total issued / paid-up capital. In compliance with this requirement, the Company has submitted a certificate, duly certified by a qualified Chartered Accountant, to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Communication to members

The quarterly financial results of the Company are normally announced within 45 days of the end of the respective quarter. The Company's media releases and details of significant developments are also made available on the website. These are published in leading newspapers, in addition to hosting them on the Company's website: www.reliancepower.co.in

Compliance Officer

Shri Paresh Rathod, Company Secretary and Manager, is the Compliance Officer of the Company.

Address for Correspondence

Queries relating to financial statements of the Company may be addressed to :	Correspondence on investor services may be addressed to the compliance officer :
Shri Deepak Maheshwari Chief Financial Officer Reliance Power Limited I Block, 2nd Floor Dhirubhai Ambani Knowledge City Navi Mumbai 400 710 Tel : +91 22 3038 6290 Fax : +91 22 3037 6633	Shri Paresh Rathod Company Secretary and Manager Reliance Power Limited H Block, 1st Floor Dhirubhai Ambani Knowledge City Navi Mumbai 400 710 Tel : +91 22 3038 6172 Fax : +91 22 3037 6633

Reliance Power Limited

Auditors' Report on Financial Statements

To the Members of Reliance Power Limited

1. We have audited the attached Balance Sheet of Reliance Power Limited (the "Company") as at March 31, 2010, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn. No: 101720 W

For **Price Waterhouse**
Chartered Accountants
Firm Regn. No: 301112E

C.D. Lala
Partner
Membership No. 35671
Place : Mumbai
Date : May 15, 2010

Partha Ghosh
Partner
Membership No. 55913

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Reliance Power Limited on the financial statements for the year ended March 31, 2010

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the Company during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. 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 and for the sale of services. 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.
4. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. The Central Government of India pursuant to the Cost Accounting Records (Electricity Industry) Rules, 2001 ('Rules') has prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act to the Company. However, the Rules are not applicable to the Company, as the Company has not started commercial operations.
8. (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 the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (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, customs duty, excise duty and cess which have not been deposited on account of any dispute.
9. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
10. 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 or debenture holders as at the balance sheet date.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
13. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
14. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
15. The Company has not obtained any term loans.
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
18. The Company has not issued any debentures
19. The Company has not raised any money by public issues during the year. The Management has disclosed the end use of monies during the year, out of public issue raised in the earlier year (Refer Note 6 of Schedule 10) which has been verified by us.
20. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
21. Clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No: 101720 W

For Price Waterhouse
Chartered Accountants
Firm Regn. No: 301112E

C.D. Lala
Partner
Membership No. 35671
Place : Mumbai
Date : May 15, 2010

Partha Ghosh
Partner
Membership No. 55913

Reliance Power Limited

Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010		As at March 31, 2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	23,968,000,000		23,968,000,000	
Reserves and Surplus	2	116,692,433,111		113,960,102,220	
			140,660,433,111		137,928,102,220
Total			140,660,433,111		137,928,102,220
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	3	811,575,809		781,803,646	
Less: Depreciation		23,983,368		15,779,200	
Net Block		787,592,441		766,024,446	
Capital Work In Progress	4	552,993,570		558,400,773	
			1,340,586,011		1,324,425,219
Investments	5		72,130,442,635		62,827,119,801
Current Assets, Loans and Advances					
Bank Balances	6	982,138,057		144,222,976	
Other Current Assets		31,843,863		16,549	
Loans and Advances		66,532,229,937		74,075,784,831	
		67,546,211,857		74,220,024,356	
Less: Current Liabilities and Provisions					
Current Liabilities	7	336,001,980		430,460,675	
Provisions		20,805,412		13,006,481	
		356,807,392		443,467,156	
Net Current Assets			67,189,404,465		73,776,557,200
Total			140,660,433,111		137,928,102,220
Notes forming part of the financial Statements	10				

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No: 101720 W

Partha Ghosh

Partner

Membership No. 55913

C D Lala

Partner

Membership No. 35671

For and on behalf of the Board of Directors

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao

J L Bajaj

Dr Yogendra Narain

Dr V K Chaturvedi

Directors

J P Chalasani

Chief Executive Officer

Paresh Rathod

Company Secretary and Manager

Place : Mumbai

Date : May 15, 2010

Place : Mumbai

Date : May 15, 2010

Reliance Power Limited

Profit and Loss Account for the year ended March 31, 2010

	Schedule	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
INCOME			
Other Income on Current Investments			
- Dividend Income		2,067,825,691	2,676,011,092
- Profit on redemption of Mutual Fund		31,411,493	58,373,678
Other Income on Long Term Investments			
- Dividend Income		52,362,955	61,778,901
- Profit on redemption of Mutual Fund		1,611,390,001	550,679,991
Interest Income [Tax deducted at source Rs. 3,187,627 (Previous year Rs. 9,457)]		31,879,837	55,940
Service Income		85,506,849	-
Miscellaneous Income		352,400	260,443
Total		3,880,729,226	3,347,160,045
EXPENDITURE			
Employee Cost	8	389,257,988	207,599,929
Administration and Other Expenses	9	596,951,535	572,794,489
Depreciation		5,138,812	2,028,257
Total		991,348,335	782,422,675
Profit before Taxation		2,889,380,891	2,564,737,370
Provision for Taxation			
Current Tax		156,800,000	71,000,000
Fringe Benefit Tax		-	4,600,000
Wealth Tax		250,000	100,000
Profit after Taxation		2,732,330,891	2,489,037,370
Profit and Loss Account balance brought forward		3,435,885,498	946,848,128
Profit and Loss Account balance carried forward to the Balance Sheet		6,168,216,389	3,435,885,498
Earnings Per Share - Basic and Diluted (Refer Note 10 of Schedule 10)		1.14	1.04
Notes forming part of the financial statements	10		

As per our attached report of even date

For Price Waterhouse

Chartered Accountants
Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No: 101720 W

Partha Ghosh

Partner
Membership No. 55913

C D Lala

Partner
Membership No. 35671

For and on behalf of the Board of Directors

Anil D Ambani
K H Mankad

Chairman
Whole-time Director

S L Rao
J L Bajaj
Dr Yogendra Narain
Dr V K Chaturvedi

} Directors

J P Chalasani

Chief Executive Officer

Paresh Rathod

Company Secretary
and Manager

Place : Mumbai
Date : May 15, 2010

Place : Mumbai
Date : May 15, 2010

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Schedule 1 - Share Capital		
Authorised :		
5,000,000,000 Preference shares of Rs. 10 each	50,000,000,000	50,000,000,000
11,000,000,000 Equity shares of Rs. 10 each	<u>110,000,000,000</u>	<u>110,000,000,000</u>
	<u>160,000,000,000</u>	<u>160,000,000,000</u>
Issued and Subscribed		
2,396,800,000 (Previous Year: 2,396,800,000) Equity shares of Rs. 10 each fully paid up*	23,968,000,000	23,968,000,000
 *(Of the above equity shares, 136,800,000 equity shares were allotted as fully paid up bonus shares by capitalisation of Rs.1,368,000,000 from securities premium account)	 <u>23,968,000,000</u>	 <u>23,968,000,000</u>
Schedule 2 - Reserves and Surplus		
Securities Premium Account		
Balance as per last Balance sheet	110,478,160,093	111,834,316,481
Add : Calls paid	-	9,372,820
Add : Liability towards share issue expenses no longer required written back	-	2,470,792
Less : Capitalised as bonus equity shares	-	<u>1,368,000,000</u>
	<u>110,478,160,093</u>	<u>110,478,160,093</u>
General Reserve	46,056,629	46,056,629
Profit and Loss Account	6,168,216,389	3,435,885,498
	<u>116,692,433,111</u>	<u>113,960,102,220</u>

Schedules annexed to and forming part of the Financial Statements

Schedule 3 – Fixed Assets

Particulars	Gross Block (At Cost)				Depreciation / Amortisation			Net Block		
	As at April 1, 2009	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2010	Upto April 1, 2009	For the year	Deductions/ Adjustments during the year	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Freehold Land*	659,095,913	-	-	659,095,913	-	-	-	-	659,095,913	659,095,913
Buildings	92,384,846	2,345,962	789,833	93,940,975	12,536,275	2,905,714	26,380	15,415,609	78,525,366	79,848,571
Plant and Machinery	6,525,969	-	-	6,525,969	748,623	309,981	-	1,058,604	5,467,365	5,777,346
Furniture, Fixtures and Office Equipments	2,844,287	844,520	56,900	3,631,907	707,491	221,822	3,861	925,452	2,706,455	2,136,796
Computers	10,465,081	12,719,534	-	23,184,615	1,391,556	3,226,898	-	4,618,454	18,566,161	9,073,525
Motor Vehicles	10,487,550	15,475,141	766,261	25,196,430	395,255	1,656,550	86,556	1,965,249	23,231,181	10,092,295
Total	781,803,646	31,385,157	1,612,994	811,575,809	15,779,200	8,320,965	116,797	23,983,368	787,592,441	766,024,446
Previous Year	674,056,773	107,746,873	-	781,803,646	10,580,757	5,198,443	-	15,779,200		

*Refer Note 7 (a) of Schedule 10

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 4 - Capital Work-in-Progress

Rupees

Particulars	As at April 1, 2009	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2010
A. Assets under Construction	95,760,418	-	5,637,580	90,122,838
B. Expenditure pending allocation				
Electricity Expenses	710,949	-	-	710,949
Repairs and Maintenance - Others	1,865,098	-	-	1,865,098
Employees' Cost:				
- Salaries and Other Costs	70,370,714	-	-	70,370,714
- Contribution to Provident and Other Funds	2,666,441	-	-	2,666,441
Depreciation	13,750,944	3,182,153	26,380	16,906,717
Rates and Taxes	322,425	-	-	322,425
Advertisement Expenses	400,796	-	-	400,796
Bank/Corporate Guarantee Charges	172,151	-	-	172,151
Printing and Stationery	1,713,908	-	-	1,713,908
Legal and Professional Charges	82,013,662	-	-	82,013,662
Site Expenses	69,966,423	3,223,148	-	73,189,571
Telephone Expenses	1,152,705	-	-	1,152,705
Travelling and Conveyance	5,080,053	-	-	5,080,053
Fringe Benefit Tax	958,138	-	-	958,138
Vehicle Hire Charges	4,065,089	-	-	4,065,089
Miscellaneous Expenses	16,402,069	-	-	16,402,069
	271,611,565	6,405,301	26,380	277,990,486
Less:				
Tender fees received (Net of Provision for tax of Rs. 1,500,000)	3,160,734	2,854,022	-	6,014,756
Total	268,450,831	3,551,279	26,380	271,975,730
C. Advance against capital contracts	194,189,524	905,756	4,200,278	190,895,002
Total (A+B+C)	558,400,773	4,457,035	9,864,238	552,993,570
Previous Year	611,414,206	31,546,640	84,560,073	558,400,773

Schedules annexed to and forming part of the Financial Statements

**Schedule 5 - Investments
(Non-trade)**

	No. of Shares	Face Value Rs.	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
A Long Term Investments:				
In Subsidiaries				
Equity Shares (Fully paid-up, unquoted)				
Rosa Power Supply Company Limited*	416,900,000	10	4,169,000,000	4,169,000,000
Sasan Power Limited* (Previous Year 50,000 equity shares)	12,550,000	10	12,500,500,000	500,000
(During the year further 12,500,000 equity shares are allotted at a premium of Rs. 990 per share) (Refer Note 9 c(iii))				
Chitrangi Power Private Limited*	10,000	10	100,000	100,000
Siyom Hydro Power Private Limited*	10,000	10	100,000	100,000
Tato Hydro Power Private Limited*	10,000	10	100,000	100,000
Kalai Power Private Limited*	10,000	10	100,000	100,000
Urthing Sobla Hydro Power Private Limited	8,000	10	80,000	80,000
Maharashtra Energy Generation Limited*	50,000	10	500,000	500,000
Vidarbha Industries Power Limited*	50,000	10	500,000	500,000
Coastal Andhra Power Limited*	50,000	10	500,000	500,000
Reliance Coal Resources Private Limited*	10,000	10	100,000	100,000
Sasan Power Infrastructure Limited*	50,000	10	500,000	500,000
Sasan Power Infraventures Private Limited*	10,000	10	100,000	100,000
Reliance Power International Sarl#	34	***	268,987	268,987
Coastal Andhra Power Infrastructure Limited*	50,000	10	500,000	-
Maharashtra Energy Generation Infrastructure Limited*	500,000	10	5,000,000	-
Amulin Hydro Power Private Limited*	10,000	10	100,000	-
Emini Hydro Power Private Limited*	10,000	10	100,000	-
Mihundon Hydro Power Private Limited*	10,000	10	100,000	-
Jharkhand Integrated Power Limited*	50,000	10	500,000	-
			16,678,748,987	4,172,448,987
Preference Shares (Fully paid-up, unquoted)				
7.5% Non-cumulative Non-convertible Redeemable Preference Shares:				
Coastal Andhra Power Limited*	8,700,000	1	5,215,650,000	-
Rosa Power Supply Company Limited*	1,200,000	1	719,400,000	-
			5,935,050,000	-

* Investments in wholly owned subsidiaries.

Investments Jointly with subsidiaries.

*** Face value of Euro 125 each

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 5 - Investments (continued)

	No. of Units	Face Value Rs.	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
In Mutual Fund Units (Fully paid-up, quoted)^				
Reliance Fixed Horizon Fund - XII - Series 4 - Super Institutional Growth Plan	500,000,000	10	5,000,000,000	5,000,000,000
Reliance Fixed Horizon Fund - IX - Series 9 - Institutional Growth Plan	525,000,000	10	5,250,000,000	5,250,000,000
Reliance Fixed Horizon Fund - XII - Series 3 - Super Institutional Growth Plan	125,000,000	10	1,250,000,000	1,250,000,000
Reliance Fixed Horizon Fund - VII - Series 2 - Institutional Growth Plan (Previous Year : 450,000,000 Units)	-	10	-	4,500,000,000
Reliance Fixed Horizon Fund - VII - Series 3 - Institutional Growth Plan (Previous Year : 100,000,000 Units)	-	10	-	1,000,000,000
Reliance Fixed Horizon Fund - VII - Series 5 - Institutional Growth Plan (Previous Year : 50,000,000 Units)	-	10	-	500,000,000
Reliance Fixed Horizon Fund - IX - Series 1 - Institutional Growth Plan (Previous Year : 325,000,000 Units)	-	10	-	3,250,000,000
Reliance Fixed Horizon Fund - IX - Series 5 - Institutional Growth Plan (Previous Year : 150,000,000 Units)	-	10	-	1,500,000,000
Reliance Fixed Horizon Fund - IX - Series 2 - Institutional Dividend Payout Plan (Previous Year : 100,000,000 Units)	-	10	-	1,000,000,000
Reliance Fixed Horizon Fund - IV - Series 6 - Institutional Growth Plan (Previous Year : 150,000,000 Units)	-	10	-	1,500,000,000
Reliance Fixed Horizon Fund - XII - Series 5 - Super Institutional Growth Plan	25,000,000	10	250,000,000	-
Reliance Fixed Horizon Fund - XIII - Series 1 - Growth Plan	75,000,000	10	750,000,000	-
Reliance Fixed Horizon Fund - XIII - Series 4 - Growth Plan	75,000,000	10	750,000,000	-
Reliance Fixed Horizon Fund - XIII - Series 5 - Growth Plan	15,000,000	10	150,000,000	-
Reliance Fixed Horizon Fund - XIII - Series 3 - Growth Plan	50,000,000	10	500,000,000	-
Reliance Fixed Horizon Fund - XIII - Series 6 - Growth Plan	35,000,000	10	350,000,000	-
Reliance Fixed Horizon Fund - XIV - Series 1 - Growth Plan	100,000,000	10	1,000,000,000	-
Reliance Fixed Horizon Fund - XIV - Series 2 - Growth Plan	50,000,000	10	500,000,000	-
Reliance Fixed Horizon Fund - XIV - Series 4 - Growth Plan	100,000,000	10	1,000,000,000	-
Reliance Fixed Horizon Fund - XIV - Series 5 - Growth Plan	50,000,000	10	500,000,000	-
Reliance Fixed Horizon Fund - XIV - Series 8 - Growth Plan	40,000,000	10	400,000,000	-
(Market value of Rs. 19,377,409,000) (Previous year Rs. 26,534,525,000)			17,650,000,000	24,750,000,000

Schedules annexed to and forming part of the Financial Statements

Schedule 5 - Investments (continued)

	No. of Units	Face Value Rs.	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
B Current Investments				
In Mutual Fund Units (Fully paid-up, quoted)^				
Reliance Interval Fund - Quarterly Plan - Series I - Institutional Dividend Plan (Previous Year : 60,850,173 Units)	-	10	-	608,858,475
Reliance Fixed Horizon Fund VIII - Series II - Institutional Growth Plan (Previous Year : 35,000,000 Units)	-	10	-	355,694,500
Reliance Liquidity Fund - Daily Dividend Reinvestment Option (Previous Year : 1,273,090,923 Units)	-	10	-	12,734,855,816
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan (Previous Year : 15,355,665 Units)	-	1000	-	15,373,115,271
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Option (Previous Year : 15,341,851 Units)	-	15	-	234,533,949
Reliance Medium Term Fund - Daily Dividend Plan (Previous Year : 268,937,019 Units)	-	15	-	4,597,612,803
Reliance Quarterly Interval Fund - Series III - Institutional Growth Plan	121,758,188	10	1,500,000,000	-
Reliance Medium Term Fund - Retail Growth Plan - Growth Option	250,786,380	15	4,783,825,429	-
Reliance Money Manager Fund - Institutional Growth Plan	18,530,671	1000	23,245,205,129	-
Reliance Liquidity Fund - Growth Option	23,653,836	10	327,790,136	-
ICICI Prudential Ultra Short Term Plan Super Premium Growth	96,980,321	10	1,000,090,164	-
LIC MF Income Plus Fund - Growth Plan	81,704,829	10	1,009,732,790	-
(Market value of Rs. 31,885,111,527) (Previous year Rs. 33,929,894,639)				
			31,866,643,648	33,904,670,814
^Includes unutilised money from the proceeds of Initial Public Offer (Refer Note 6 of Schedule 10)				
			72,130,442,635	62,827,119,801
Aggregate book value of Quoted Investments			49,516,643,648	58,654,670,814
Aggregate book value of Unquoted Investments			22,613,798,987	4,172,448,987
Aggregate market value of Quoted Investments			51,262,520,527	60,464,419,639

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Schedule 6 - Current Assets, Loans and Advances		
Bank Balances		
Balances with scheduled banks:		
- in current accounts	81,531,084	143,660,227
[(Includes unclaimed share application money refund account balance of Rs. 39,480,272) (Previous year Rs.105,122,483)]		
- in fixed deposit account	900,606,973	562,749
(under lien with banks towards guarantee)		
	<u>982,138,057</u>	<u>144,222,976</u>
Other Current Assets		
Interest accrued on Fixed Deposits	31,843,863	16,549
	<u>31,843,863</u>	<u>16,549</u>
Loans and Advances (Unsecured and Considered Good)		
Receivables from Subsidiaries		
- Inter Corporate Deposits*	34,820,200,000	44,341,000,000
- Advance towards investments*	31,276,396,583	28,668,934,569
- Others	324,821,191	34,249,212
Advances recoverable in cash or in kind or for value to be received	37,138,820	985,920,274
Advance Income Tax [Net of Provision for Tax of Rs. 306,909,361 (Previous year Rs. 149,859,361)]	28,584,827	670,296
Deposits	45,088,516	45,010,480
*Includes unutilised money from the proceeds of Initial Public Offer (Refer Note 6 of Schedule 10)		
	<u>66,532,229,937</u>	<u>74,075,784,831</u>
	<u>67,546,211,857</u>	<u>74,220,024,356</u>
Schedule 7 - Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors (Refer Note 16 of Schedule 10)	279,362,324	285,375,743
Unclaimed share application money refunds	39,480,272	105,122,483
Other Liabilities	17,159,384	39,962,449
	<u>336,001,980</u>	<u>430,460,675</u>
Provisions		
Provision for Leave Encashment	20,805,412	13,006,481
	<u>20,805,412</u>	<u>13,006,481</u>
	<u>356,807,392</u>	<u>443,467,156</u>

Schedules annexed to and forming part of the Financial Statements

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
Schedule 8 - Employee Cost		
Salaries and other cost	353,983,747	182,696,338
Contribution to Provident and other funds (Refer Note 8 of Schedule 10)	15,418,985	9,186,473
Gratuity and Leave Encashment (Refer Note 8 of Schedule 10)	13,768,545	12,309,378
Staff Welfare Expenses	6,086,711	3,407,740
	<u>389,257,988</u>	<u>207,599,929</u>

Schedule 9 - Administration and Other Expenses

Bank and Finance Charges	16,937,882	17,663,473
Rent Expenses	145,424,314	166,682,001
Repairs and Maintenance - Others	6,945,831	3,690,487
Insurance	3,741,265	1,485,947
Advertisement Expenses	2,557,730	1,884,768
Printing and Stationery	29,384,741	28,013,263
Legal and Professional Charges	259,349,370	185,264,005
Postage and Courier	33,631,841	33,146,226
Travelling and Conveyance	32,162,058	28,188,048
Custodian Charges	40,742,409	28,073,857
Bonus Issue Expenses	-	60,585,678
Directors Sitting Fees	1,180,000	1,500,000
Tender Expenses	4,330,000	4,940,000
Rates and Taxes	562,993	2,475,988
Loss on Sale of Assets	145,772	-
Miscellaneous Expenses	19,855,329	9,200,748
	<u>596,951,535</u>	<u>572,794,489</u>

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 10 – Notes forming part of the Financial Statements

1) Significant Accounting Policies:

(a) Basis of Accounting:

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006.

(b) Revenue Recognition:

Service income represents income from support services recognised as per the terms of the service agreements entered into with the respective parties.

Profit on sale/redemption of investments is accounted on sale/redemption of such investments. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments.

(c) Foreign Currency Transactions:

(i) Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, as at the year-end in respect of monetary assets and liabilities (other than long term), are recognised in the Profit and Loss Account.

(ii) Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

(d) Fixed Assets and Capital Work-in-progress:

(i) The gross block of fixed assets is stated at cost of acquisition or construction, including any cost attributable in bringing the assets to their working condition for their intended use.

(ii) All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental/attribution to construction of project, borrowing cost incurred prior to the date of commercial operation and trial run expenditure are shown under Capital Work-in-Progress. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

(e) Depreciation/Amortisation:

Fixed assets are depreciated under the straight line method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Software expenses are amortised over a period of three years.

(f) Investments:

Long-term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments. Current investments are valued at lower of cost and fair value.

(g) Retirement Benefits:

Contributions to defined contribution schemes such as provident fund, superannuation etc. are charged to the Profit and Loss account/Capital Work-in-Progress, as applicable, as incurred. The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss account/Capital Work-in-Progress, as applicable, based on actuarial valuations, as at the balance sheet date, made by independent actuaries.

(h) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(i) Accounting for Taxes on Income:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

(j) Provisions:

Provisions are recognised when the Company has a present legal obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(k) 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 recognized in the Profit and Loss Account.

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

2) (a) **Contingent Liabilities:**

Counter guarantees issued to banks against guarantees issued by them on behalf of subsidiary companies aggregating to Rs. 12,000,000,000 (Previous Year Rs. 6,000,000,000).

(b) **Capital Commitments:**

Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs. Nil. (Previous Year Rs. 81,341,991).

3) **Managerial remuneration (excluding contribution to gratuity fund and provision for leave encashment on retirement) paid/payable to directors:**

	2009-2010 Rupees	2008-2009 Rupees
Whole time Director/Manager		
Salary	5,594,679	4,552,648
Perquisites*	182,590	91,233
Contribution to provident fund	209,328	210,094
Directors other than Whole time director		
Sitting fees	1,180,000	1,500,000
	<u>7,166,597</u>	<u>6,353,975</u>

* Valued as per Income Tax Act, 1961

4) **Details of remuneration to Auditors:**

	2009-2010 Rupees	2008-2009 Rupees
(a) As Statutory Auditors	4,600,000	4,600,000
(b) For other services	400,000	400,000
(c) Out-of-pocket expenses	60,017	21,196
	<u>5,060,017</u>	<u>5,021,196</u>

5) **Expenditure in Foreign Currency (on payment basis):**

	2009-2010 Rupees	2008-2009 Rupees
(a) Professional and consultation fees	22,665,777	51,857,580
(b) Travelling expenses	2,242,012	1,618,071
(c) Others	1,708,500	-

6) **The utilisation of Initial Public Offer (IPO) proceeds up to March 31, 2010 are given below:**

Particulars	Rupees	
	Projected	Actual
Proceeds from IPO		115,632,000,000
Utilisation upto March 31, 2010		
Funding subsidiaries to part finance the construction and development costs of following identified projects 600 MW Rosa Phase I, 600 MW Rosa Phase II, 300 MW Butibori, 3,960 MW Sasan, 1,200 MW Shahapur Coal, 400 MW Urthing Sobla.	44,998,700,000	30,963,861,336
Funding subsidiaries to part finance the construction and development costs of following projects falling under general corporate purpose category 4,000 MW Krishnapatnam, 700 MW Tato II, 1,000 MW Siyom, 3,960 MW Chitrangi, 1,200 MW Kalai II, 3,960 MW Tilaiya, 420 MW Amulin, 500 MW Emini, 400 MW Mihundon and Coal resources.		22,558,451,049
Share issue expenses	1,190,500,000	1,185,839,907
Total Utilised Amount		54,708,152,292
Unutilised amount		60,923,847,708

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

Particulars		Rupees
Break up of unutilised amount*:		
Investments in Mutual Funds (Including subsidiaries)		59,976,428,638
Bank Balance in Current account and Fixed Deposits (Including subsidiaries)		917,419,070
Deposit with Bombay Stock Exchange Limited		30,000,000
Total		60,923,847,708

* Includes Rs. 28,348,953,687 unutilised money invested by subsidiaries.

- 7) a) The Company is currently developing a 7,480 MW gas-fired power project to be located at the Dhirubhai Ambani Energy City in Dehra village, Dadri, Uttar Pradesh. The State of Uttar Pradesh in the year 2004 has acquired 2,100 acres of land and conveyed the same to the Company in the year 2005. While the State is in the process of acquiring further 400 acres of land for the project, a few land owners filed writ petitions before the Allahabad High Court challenging the acquisition process under Land Acquisition Act, 1894 ("the Act"). The Allahabad High Court has disposed of the writ petitions upholding the Section 4 notification and directed to comply with certain procedures relating to land acquisition that were left out earlier by State Government. The Company has filed appeal against the Allahabad High Court order which is now pending before Supreme Court.
- b) The Dadri project has already received all statutory clearances from the Central and Uttar Pradesh government authorities including Environmental Clearance for the full capacity of 7,480 MW. The Project will use gas sourced from Krishna-Godavari basin ("KG Basin") being developed by Reliance Industries Limited (RIL). Subsequent to balance sheet date, the Honorable Supreme Court has pronounced its judgement in the case between RIL and Reliance Natural Resources Limited (RNRL), wherein both the parties have been directed to re-negotiate the terms of gas supply within a stipulated period of time. The critical site activities like construction of approach road and site office have been completed. Other activities will be commenced as soon as the gas supply arrangement is firmed up and settlement of land acquisition issues. Expenditure incurred during the construction and incidental to setting up the project are carried forward as "Capital Work-in-Progress". These expenses would be capitalised as fixed assets on completion of the project and commencement of commercial operations. Considering the current status and future plans with regard to the project, the Company does not envisage provision for impairment as at the balance sheet date.

8) Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits" (AS-15)

The Company has classified various employee benefits as under:

Defined contribution plans

- Provident fund
- Superannuation fund
- State defined contribution plans
 - Employees' Pension Scheme 1995

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 Profit and Loss Account/Capital Work-in-Progress for the year:

Particulars	2009-2010 Rupees	2008-2009 Rupees
(a) Contribution to provident fund	11,617,507	6,698,112
(b) Contribution to employees' superannuation fund	2,709,060	2,115,047
(c) Contribution to employees' pension scheme 1995	1,092,418	714,274

Defined Benefit Plans

- Gratuity
- Leave encashment

Leave encashment is payable to eligible employees who have earned leaves, 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:

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

Particulars	2009-2010		2008-2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (per annum)	8.25%	8.25%	7.50%	7.50%
Rate of increase in compensation levels	7.50%	7.50%	6.00%	6.00%
Rate of return on plan assets	8.25%	-	7.50%	-
Expected average remaining working lives of employees in no. of years	9.6	-	20	-

Rupees

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-2010	2008-2009	2009-2010	2008-2009
(i)	Changes in present value of obligation				
	Opening balance of present value of obligation	14,149,132	6,733,555	13,006,481	3,870,827
	Liability on transfer of Employees (Net)	636,553	3,609,497	527,560	2,037,150
	Interest Cost	1,412,859	538,684	1,685,912	309,666
	Current Service Cost	4,688,981	1,196,479	9,723,824	1,125,810
	Actuarial (gains)/loss	1,221,238	2,070,917	(3,635,408)	5,663,028
	Benefits paid	-	-	(502,957)	-
	Closing balance of present value of obligation	22,108,763	14,149,132	20,805,412	13,006,481
(ii)	Changes in fair value of plan assets				
	Opening balance of present value of plan assets	13,834,653	7,904,441	-	-
	Expected return on plan assets	1,037,599	632,356	-	-
	Employer's Contributions	8,000,000	5,297,856	502,957	-
	Actuarial gain/(loss) on plan assets	291,262	-	-	-
	Benefits paid	-	-	(502,957)	-
	Closing balance of fair value of plan assets	23,163,514	13,834,653	-	-
	Plan assets pending transfer	4,246,050	3,609,497	-	-
	Closing balance of fair value of plan assets (Including pending transfer)	27,409,564	17,444,150	-	-
(iii)	Percentage of each category of plan assets to total fair value of plan assets				
	Administered by Life Insurance Corporation of India	100%	100%	-	-
(iv)	Reconciliation of present value of defined present obligations and the fair value of assets				
	Closing balance of present value of obligation	22,108,763	14,149,132	20,805,412	13,006,481
	Closing balance of fair value of plan assets (Including pending transfers)	27,409,564	17,444,150	-	-
	Funded (asset)/liability recognised in the Balance Sheet*	(5,300,801)	(3,295,018)	-	-
	Unfunded liability recognised in the Balance Sheet #	-	-	20,805,412	13,006,481
(v)	Amounts recognised in the Balance Sheet				
	Closing balance of present value of obligation	22,108,763	14,149,132	20,805,412	13,006,481
	Closing balance of fair value of plan assets (Including pending transfers)	27,409,564	17,444,150	-	-
	Funded (asset)/liability recognised in the Balance Sheet*	(5,300,801)	(3,295,018)	-	-
	Unfunded liability recognised in the Balance Sheet #	-	-	20,805,412	13,006,481
(vi)	Expenses recognised in the Profit and Loss Account				
	Current service cost	4,688,981	1,196,479	9,723,824	1,125,810
	Interest cost	1,412,859	538,684	1,685,912	309,666
	Expected return on plan assets	(1,037,599)	(632,355)	-	-
	Net actuarial (gain)/loss	929,976	2,070,917	(3,635,408)	7,700,177
	Total expenses recognised in the Profit and Loss Account	5,994,217	3,173,725	7,774,328	9,135,653
(vii)	Expected Employer's Contribution for the next year	3,000,000	5,827,642	5,612,000	502,957

* Grouped under Schedule 7 under Advance Recoverable in Cash or in kind for value to be received.

Grouped under Schedule 8 under Provision for Leave Encashment.

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

(viii) Disclosure as required under Para 120 (n) of AS-15:

Sr. No.	Particulars	Rupees					
		2009-2010		2008-2009		2007-2008	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(i)	Present Value of the Defined Benefit Obligation	22,108,763	20,805,412	14,149,132	13,006,481	6,733,555	3,870,827
	Fair Value of the Plan Assets	27,409,564	-	17,444,150	-	7,904,441	-
	(Surplus)/Deficit in the Plan	(5,300,801)	-	(3,295,018)	-	(1,170,886)	-
(ii)	Experience Adjustments						
	On Plan liabilities	30,055	(4,850,523)	2,070,917	5,663,028	-	-
	On Plan Assets	291,262	-	1	-	-	-
	Total Experience Adjustment	321,317	(4,850,523)	2,070,918	5,663,028	-	-

Since the Company had adopted AS-15 during the financial year 2007-2008, hence the disclosure for gratuity and leave encashment figures have been presented upto financial year 2007-2008.

9) Related Party Transactions:

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

A. Parties where Control exists:

(i) Subsidiaries :

- a) Sasan Power Limited (SPL)
- b) Rosa Power Supply Company Limited (RPSCL)
- c) Maharashtra Energy Generation Limited (MEGL)
- d) Vidarbha Industries Power Limited (VIPL)
- e) Tato Hydro Power Private Limited (THPPL)
- f) Siyom Hydro Power Private Limited (SHPPL)
- g) Chitranji Power Private Limited (CPPL)
- h) Urthing Sobla Hydro Power Private Limited (USHPPL)
- i) Kalai Power Private Limited (KPPL)
- j) Coastal Andhra Power Limited (CAPL)
- k) Reliance Coal Resources Private Limited (RCRPL)
- l) Sasan Power Infrastructure Limited (SP Infrastructure)
- m) Sasan Power Infraventures Private Limited (SP Infraventures)
- n) Reliance Power International Sarl (RPIS)
- o) Coastal Andhra Power Infrastructure Limited (CAPIL)
- p) Maharashtra Energy Generation Infrastructure Limited (MEGIL)
- q) Jharkhand Integrated Power Limited (JIPL) (w.e.f. 07.08.2009)
- r) Amulin Hydro Power Private Limited (AHPPL) (w.e.f. 07.07.2009)
- s) Emini Hydro Power Private Limited (EHPPL) (w.e.f. 07.07.2009)
- t) Mihundon Hydro Power Private Limited (MHPPL) (w.e.f. 07.07.2009)

(ii) Major Investing Parties:

- a) Reliance Infrastructure Limited (R Infra)
- b) AAA Project Ventures Private Limited (APVPL)
- c) AAA International Capital Private Limited
- d) Reliance Enterprises and Ventures Private Limited

(iii) Person having control over the investing parties as defined in (ii) (b),(c) and (d) above:

Shri Anil D Ambani (Chairman)

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

B. Other related parties with whom transactions have taken place during the year:

(i) Key Management Personnel:

Shri K H Mankad (Whole Time Director)
 Shri J P Chalasani (Chief Executive Officer)
 Shri Paresh Rathod (Manager)

(ii) Enterprises over which person described in clause A (iii) above has control:

- a) Reliance Infocomm Infrastructure Private Limited (RIIPL)
- b) Reliance General Insurance Company Limited (RGICL)
- c) Reliance Communications Infrastructure Limited (RCIL)
- d) Reliance Capital Limited (RCL)
- e) Reliance Communications Limited (RCom)

C. Details of transactions and closing balance during the year:

Particulars	Rupees	
	2009-2010	2008-2009
(i) Transaction during the year :		
Professional charges paid towards shared services		
- R Infra	50,170,955	14,610,462
Professional charges received towards support services		
- RPSCl	16,545,000	-
- SPL	22,060,000	-
- VIPL	11,030,000	-
- THPPL	4,412,000	-
- SHPPL	4,412,000	-
- USHPPL	4,412,000	-
- CAPL	22,060,000	-
- KPPL	2,206,000	-
- JIPL	7,177,054	-
Purchase of Assets		
- R Infra	-	3,777,925
- RCIL	4,080,919	-
Reimbursement of expenses incurred on our behalf:		
- RCL	942,058	-
Incurred on behalf of:		
- RCom	2,480,347	-
Subsidiaries:		
- RPSCl	30,226,021	15,216,015
- SPL	143,809,861	65,652,594
- VIPL	6,398,056	4,125,284
- MEGL	1,653,039	14,093,498
- THPPL	1,225,611	3,448,279
- SHPPL	420,127	4,467,133
- USHPPL	838,856	1,794,676
- SP Infrastructure	112,800,000	-
- SP Infraventures	60,000,000	-

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

Particulars	Rupees	
	2009-2010	2008-2009
- MEGIL	54,700,000	-
- CAPL	23,683,874	62,039,997
- CAPIL	104,100,000	-
- CPPL	2,208,739	-
- KPPL	319,789	-
- JIPL	386,892,614	-
- RCRPL	481,752	5,186,097
Tender Fees received		
- R Infra	1,000,000	-
Tender Fees paid		
- R Infra	100,000	-
Insurance		
- RGICL	1,792,826	145,081
Rent/Support Services		
- RI IPL	110,454,651	133,816,155
- RCIL	3,148,829	-
Investment in subsidiaries		
Equity Shares		
- RPSCL	-	3,069,000,000
- RPIS	-	268,987
- AHPPL	100,000	-
- EHPPL	100,000	-
- JIPL	500,000	-
- MHPPL	100,000	-
Purchase of Shares		
- SPL (Equity shares of SP Infrastructure)	-	500,000
- SPL (Equity shares of SP Infraventures)	-	100,000
- MEGL (Equity shares of MEGIL)	5,000,000	-
- CAPL (Equity shares of CAPIL)	500,000	-
- MEGIL (7.5% Preference Shares of RPSCL)	719,400,000	-
- SP Infrastructure (7.5% Preference Shares of CAPL)	2,188,175,000	-
- SP Infraventures (7.5% Preference Shares of CAPL)	1,019,150,000	-
- CAPIL (7.5% Preference Shares of CAPL)	2,008,325,000	-
Share application money given		
- RPSCL	15,759,050,000	2,365,100,000
- SPL	9,789,900,000	-
- MEGL	3,634,011	-
- VIPL	1,130,810,000	-
- CPPL	15,210,870,000	1,850,000
- THPPL	98,300,000	-
- SHPPL	71,900,000	-
- USHPPL	24,800,000	-

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

Particulars	Rupees	
	2009-2010	2008-2009
- CAPL	693,458,977	111,100,000
- RCRPL	119,025,000	37,900,000
- KPPL	6,300,000	1,116,000,000
- AHPPL	378,000,000	-
- EHPPL	351,000,000	-
- JIPL	1,078,773,194	-
- MHPPL	240,000,000	-
Share application money refunded		
- RPSCL	12,785,000,000	12,000,000
- SPL	15,250,192	500,000
- MEGL	500,000,000	-
- CPPL	2,261,400,000	-
- THPPL	200,000,000	-
- SHPPL	2,130,000,000	-
- CAPL	9,887,708,977	-
- KPPL	1,000,000,000	-
- JIPL	1,069,000,000	-
- RCRPL	-	18,390,380
Inter Corporate Deposits Paid		
- SP Infrastructure	6,220,000,000	16,591,000,000
- SP Infraventures	4,700,700,000	10,000,000,000
- MEGIL	6,260,000,000	-
- CAPIL	7,500,000,000	-
- SPL	1,000,000,000	8,824,754,950
- MEGL	-	3,800,000
- VIPL	-	2,155,300,000
- THPPL	-	92,936,000
- SHPPL	-	2,089,670,000
- USHPPL	-	20,951,000
- CAPL	-	7,243,870,000
- RCRPL	-	99,000,000
Refund of Inter Corporate Deposit		
- SP Infrastructure	9,950,800,000	-
- SP Infraventures	3,250,000,000	-
- CAPIL	3,250,700,000	-
- MEGL	7,500,000,000	-
- CAPL	10,250,000,000	-
- SPL	1,000,000,000	27,500,500,000
- VIPL	-	25,000,000
Advances received and refunded		
- SP Infrastructure	1,774,150,000	-
- SP Infraventures	1,773,850,000	-
- CAPIL	1,782,250,000	-
Sitting Fees		
Shri Anil D Ambani	100,000	200,000

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

Particulars	Rupees	
	2009-2010	2008-2009
Remuneration to Key Management Personnel:		
- Shri K H Mankad	4,780,856	3,866,043
- Shri J P Chalasani	11,365,311	11,408,953
- Shri Paresh Rathod	1,205,741	987,932
Contingent Liabilities :		
Bank Guarantee issued		
- JIPL	6,000,000,000	-
Bank Guarantee (Application for Tender)		
- R Infra	465,000,000	-
(ii) Closing Balance :		
Investment in Subsidiaries		
Equity Shares		
- RPSCl	4,169,000,000	4,169,000,000
- SP Infrastructure	500,000	500,000
- SP Infraventures	100,000	100,000
- RPIS	268,987	268,987
- SPL	12,500,500,000	500,000
- MEGL	500,000	500,000
- VIPL	500,000	500,000
- SHPPL	100,000	100,000
- CPPL	100,000	100,000
- USHPPL	80,000	80,000
- KPPL	100,000	100,000
- CAPL	500,000	500,000
- RCRPL	100,000	100,000
- THPPL	100,000	100,000
- MEGIL	5,000,000	-
- AHPPL	100,000	-
- EHPPL	100,000	-
- JIPL	500,000	-
- MHPPL	100,000	-
- CAPIL	500,000	-
Preference Shares		
- CAPL	5,215,650,000	-
- RPSCl	719,400,000	-
Loans and advances*		
- RPSCl	5,870,150,000	2,899,683,934
- SPL	6,709,536,036	9,446,489,650
- MEGL	86,134,011	8,085,832,601
- VIPL	3,370,137,998	2,238,025,480
- CPPL	12,951,320,000	1,850,000
- THPPL	32,200,000	134,627,310
- SHPPL	51,757,265	2,113,839,272

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

Particulars	Rupees	
	2009-2010	2008-2009
- USHPPL	140,400,000	115,973,994
- CAPL	725,774,649	20,182,351,920
- RCRPL	237,534,619	118,509,620
- KPPL	122,300,000	1,116,000,000
- JIPL	9,773,194	-
- MHPPL	240,000,000	-
- EHPPL	351,000,000	-
- AHPL	378,000,000	-
- SP Infrastructure	12,973,000,000	16,591,000,000
- SP Infraventures	11,510,700,000	10,000,000,000
- CAPIL	4,353,400,000	-
- MEGIL	6,308,300,000	-
Current Liabilities and Provisions		
- R Infra	43,232,687	-
- RCIL	2,833,946	-
- RIPL	32,642,858	-
Contingent Liabilities		
Bank guarantees issued		
- SPL	3,000,000,000	3,000,000,000
- CAPL	3,000,000,000	3,000,000,000
- JIPL	6,000,000,000	-

*Includes Inter corporate deposits, share application money and other receivables.

(iii) Other transactions:

The Company has pledged its 51% holding in equity shares in Sasan Power Limited as a security towards the term loan taken by Sasan Power Limited as per the sponsor support agreement dated April 21, 2009.

The Company has given equity support undertaking/financial support undertaking towards cost overrun to financial institution/banks for rupee/foreign currency loan taken by Rosa Power Supply Company Limited, Sasan Power Limited and Vidarbha Industries Power Limited.

The Disclosures in point (c) above does not include transactions with public utility service providers, viz electricity, telecommunications, in the normal course of business.

10. Earnings Per Share:

Particulars		2009-2010	2008-2009
Profit available to Equity Shareholders			
Profit after Tax (Rs.)	(A)	2,732,330,891	2,489,037,370
Number of Equity Shares			
Weighted Average number of Equity shares outstanding	(B)	2,396,800,000	2,396,745,733
Basic and diluted Earnings Per Share (Rs.)	(A/B)	1.14	1.04
Nominal value of an equity share (Rs.)		10	10

11. The management has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Company.
12. 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, 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 statements.

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

13. Disclosure of Loans and Advances to Subsidiaries pursuant to Clause 32 of the Listing Agreement:

Rupees

Name	Amount outstanding* as at		Maximum amount outstanding during the year	
	March 31, 2010	March 31, 2009	2009-2010	2008-2009
Subsidiaries:				
Sasan Power Limited	6,709,536,036	9,446,489,650	18,363,138,784	37,438,112,923
Rosa Power Supply Company Limited	5,870,150,000	2,899,683,934	15,461,100,000	3,069,000,000
Maharashtra Energy Generation Limited	86,134,011	8,085,832,601	8,085,832,601	9,163,529,104
Vidarbha Industries Power Limited	3,370,137,998	2,238,025,480	3,373,010,734	2,238,025,480
Tato Hydro Power Private Limited	32,200,000	134,627,310	229,564,016	134,627,310
Siyom Hydro Power Private Limited	51,757,265	2,113,839,272	2,114,839,272	2,113,839,272
Urthing Sobla Hydro Power Private Limited	140,400,000	115,973,994	141,879,978	115,973,994
Coastal Andhra Power Limited	725,774,650	20,182,351,920	20,191,351,920	20,199,640,092
Chitrangi Power Private Limited	12,951,320,000	1,850,000	14,991,742,410	1,850,000
Reliance Coal Resources Private Limited	237,534,619	118,509,620	237,534,619	126,900,000
Kalai Power Private Limited	122,300,000	1,116,000,000	1,122,961,800	1,116,000,000
Sasan Power Infrastructure Limited	12,973,000,000	16,591,000,000	16,591,000,000	16,591,000,000
Sasan Power Infraventures Private Limited	11,510,700,000	10,000,000,000	11,510,700,000	10,000,000,000
Maharashtra Energy Generation Infrastructure Limited	6,308,300,000	-	6,308,300,000	-
Coastal Andhra Power Infrastructure Limited	4,353,400,000	-	4,853,400,000	-
Jharkhand Integrated Power Limited	9,773,194	-	1,096,405,412	-
Amulin Hydro Power Private Limited	378,000,000	-	378,000,000	-
Emini Hydro Power Private Limited	351,000,000	-	351,000,000	-
Mihundon Hydro Power Private Limited	240,000,000	-	240,000,000	-

* Including Share Application Money and Inter Corporate Deposits

As at the year-end, the Company-

- has no loans and advances in the nature of loans, wherein there is no repayment schedule or repayment is beyond seven years and
- has no loans and advances in the nature of loans to firms/companies in which directors are interested.

14. Details of purchase and sale of investments during the year:

Mutual Fund	No. of Units	Purchase Cost Rupees
LIC MF Liquid Fund - Dividend Plan	91,073,852	1,000,000,000
LIC MF Income Plus Fund - Dividend Plan	100,009,936	1,000,099,360
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	51,136,035	51,194,146,596
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	7,953,254,418	79,557,199,266
ICICI Prudential Liquid Super Institutional Fund	9,997,790	1,000,000,000

Schedules annexed to and forming part of the Financial Statements

Schedule 10 - Notes forming part of the Financial Statements (Contd.)

15. Disclosure as required under Accounting Standard - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 :

- a) The Company has entered into cancellable leasing agreement for its office premises renewable by mutual consent on mutually agreeable terms.
- b) Future minimum lease payments under non cancellable operating lease are as under:-

Particulars	Lease Rental Debited to Profit and Loss Account (Rupees)	Future Minimum Lease Rentals (Rupees)			Period of Lease*
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years	
Noida office	10,190,808	11,124,965	12,144,046	Nil	48 months lease
Mumbai office	15,273,035	16,036,685	3,374,453	Nil	36 months lease
Mumbai office	12,939,534	13,586,508	3,437,550	Nil	36 months lease

*The lease terms are renewable on a mutual consent of lessor and lessee. The lease rentals have been included under the head "Rent expenses" under Schedule 9 in Profit and Loss Account.

16. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

- 17. Information to the extent not disclosed, with regard to matters specified in paragraph 3, 4A, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 is either Nil or not applicable to the Company for the year ended March 31, 2010.
- 18. Figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable for the current year.

As per our attached report of even date

For Price Waterhouse

Chartered Accountants
Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No: 101720 W

Partha Ghosh

Partner
Membership No. 55913

C D Lala

Partner
Membership No. 35671

For and on behalf of the Board of Directors

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao

J L Bajaj

Dr Yogendra Narain

Dr V K Chaturvedi

} Directors

J P Chalasani

Chief Executive Officer

Paresh Rathod

Company Secretary and Manager

Place : Mumbai
Date : May 15, 2010

Place : Mumbai
Date : May 15, 2010

Reliance Power Limited

Cash Flow Statement for the year ended March 31, 2010

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
(A) CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Net Profit /(loss) before taxation	2,889,380,891	2,564,737,370
Adjusted for :		
Depreciation	5,138,812	2,028,257
Dividend Income	(2,120,188,646)	(2,737,789,993)
Profit on redemption of mutual funds	(1,642,801,494)	(609,053,669)
Interest on Fixed Deposit	(31,879,837)	(55,940)
Loss on Sale of Assets	145,772	-
Provision for Leave Encashment	7,798,931	9,135,654
Operating Loss before working capital changes	(892,405,571)	(770,998,321)
Adjustments for :		
Trade and other Receivables	(20,218,546)	(981,031,388)
Trade and other Payables	(28,816,484)	84,570,648
	(49,035,030)	(896,460,740)
Net cash used in Operating Activities	(941,440,601)	(1,667,459,061)
(B) CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work-In-Progress)	(22,032,349)	(51,563,254)
Sale of Fixed Assets	586,972	-
Dividend Income	2,120,188,646	2,737,789,993
Fixed Deposit Interest	52,523	51,008
Deposits (Non Trade)	(78,036)	(10,092,360)
Refund of Share Application Money by Subsidiaries	29,848,359,169	26,591,000,000
Advance against Investments in Subsidiaries	(43,986,821,183)	(26,591,000,000)
Investment in equity and preference shares of Subsidiaries	(5,941,350,000)	(3,069,868,987)
Purchase of Investments	(171,768,088,870)	(28,634,461,287)
Sale of Investments	182,548,917,531	54,383,732,452
Taxes Paid	(184,964,531)	(80,381,043)
Net cash generated from/(used in) Investing Activities	(7,385,230,128)	25,275,206,522
(C) CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from Initial Public Offer including Securities Premium	-	9,840,348
Inter Corporate Deposits to subsidiaries (Net)	9,230,228,021	(23,194,700,371)
Share Issue Expenses	-	(402,357,637)
Refund of Share Application Money	(65,642,211)	(3,487,924,964)
Net cash generated from/(used in) Financing Activities	9,164,585,810	(27,075,142,624)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	837,915,081	(3,467,395,163)
Opening Balance of Cash and Cash equivalents		
- Balance in Current Account	143,660,227	3,611,089,883
- Balance in Fixed Deposit	562,749	528,256
Closing Balance of Cash and Cash equivalents		
- Balance in Current Account	81,531,084	143,660,227
- Balance in Fixed Deposit*	900,606,973	562,749

* Including Cash Collateral of Rs. 900,606,973 (Previous Year: Rs. 562,749) as at March 31, 2010
Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year.

As per our attached report of even date

For Price Waterhouse

Chartered Accountants
Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No: 101720 W

Partha Ghosh

Partner
Membership No. 55913

C D Lala

Partner
Membership No. 35671

For and on behalf of the Board of Directors

Anil D Ambani

K H Mankad

Chairman

Whole-time Director

S L Rao

J L Bajaj

Dr Yogendra Narain

Dr V K Chaturvedi

J P Chalasani

Paresh Rathod

Directors

Chief Executive Officer

Company Secretary
and Manager

Place : Mumbai
Date : May 15, 2010

Place : Mumbai
Date : May 15, 2010

Consolidated Financial Statements

Auditor's Report on the Consolidated Financial Statements

To the Board of Directors of Reliance Power Limited

1. We have audited the attached consolidated Balance Sheet of Reliance Power Limited (the Company) and its subsidiaries, hereinafter referred to as the "Group" (Refer Note 1(b) II on Schedule 12 to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Price Waterhouse did not audit the financial statements and other financial information of eight subsidiaries included in these consolidated financial statements, whose financial statements reflect total assets of Rs. 26,632,790,572 and net assets of Rs. 26,601,980,273 as at March 31, 2010, total revenue of Rs. 4,209,614,037, net profit before tax of Rs. 4,086,576,299 and net cash inflows amounting to Rs. 107,912 for the year then ended that have been audited by Chaturvedi & Shah on whose reports Price Waterhouse has placed reliance for the purpose of this report.
4. Price Waterhouse and Chaturvedi & Shah did not audit the financial statements and other financial information of one subsidiary included in these consolidated financial statements, whose financial statements reflect total assets of Rs. 1,878 and net liabilities of Rs. 1,177,072 as at March 31, 2010, total revenue of Rs. 217,187, net loss of Rs. 822,737 and net cash outflows amounting to Rs. 25,653 for the year then ended. These financial statements and other financial information have been incorporated in the consolidated financial statements of the Group based on the un-audited financial statements as provided by the management of the component, as audited financial statements of the component as at and for the year ended March 31, 2010 are not available.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21- Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit, consideration of reports of one of the joint auditors and certification by management on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No: 101720 W

For Price Waterhouse
Chartered Accountants
Firm Regn. No: 301112E

C.D. Lala
Partner
Membership No. 35671
Place : Mumbai
Date : May 15, 2010

Partha Ghosh
Partner
Membership No. 55913

Reliance Power Limited

Consolidated Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010		As at March 31, 2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		23,968,000,000		23,968,000,000
Reserves and Surplus	2		120,662,454,904		113,823,505,232
Minority Interest			-		-
Loan Funds					
Secured Loans	3		22,156,102,944		13,324,942,048
Unsecured Loan	4		250,000,000		-
Total			<u>167,036,557,848</u>		<u>151,116,447,280</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5		23,571,737,620		2,951,642,157
Less: Depreciation			164,101,089		72,993,814
Net Block			23,407,636,531		2,878,648,343
Capital Work-in-Progress	6		68,028,637,256		46,780,211,547
			91,436,273,787		49,658,859,890
Investments	7		79,152,434,105		103,172,389,208
Current Assets, Loans and Advances					
Inventories	8		486,555,561		-
Sundry Debtors			288,123,583		-
Cash and Bank Balances			1,337,955,799		216,332,236
Other Current Assets			31,896,984		102,111,070
Loans and Advances			1,232,494,276		1,893,759,457
			3,377,026,203		2,212,202,763
Less: Current Liabilities and Provisions	9				
Current Liabilities			6,501,157,193		3,672,093,090
Provisions			428,019,054		254,911,491
			6,929,176,247		3,927,004,581
Net Current Liabilities			<u>(3,552,150,044)</u>		<u>(1,714,801,818)</u>
Total			<u>167,036,557,848</u>		<u>151,116,447,280</u>
Notes forming part of consolidated financial statements	12				

As per our attached report of even date

For Price Waterhouse

Chartered Accountants
Firm Registration No: 301112 E

Partha Ghosh

Partner
Membership No. 55913

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No: 101720 W

C D Lala

Partner
Membership No. 35671

For and on behalf of the Board of Directors

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao

J L Bajaj

Dr Yogendra Narain

Dr V K Chaturvedi

Directors

J P Chalasani

Chief Executive Officer

Paresh Rathod

Company Secretary
and Manager

Place : Mumbai
Date : May 15, 2010

Place : Mumbai
Date : May 15, 2010

Reliance Power Limited

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
INCOME			
Sale of Energy (Refer Note 16 of Schedule 12)		207,235,985	-
Other Income on Current Investments			
- Dividend Income		2,195,564,392	2,786,802,300
- Profit on redemption of Mutual Fund		31,814,090	58,373,678
Other Income on Long Term Investments			
- Dividend Income		52,394,582	61,778,901
- Profit on redemption of Mutual Fund		5,697,089,896	550,899,280
Interest Income [Tax deducted at source Rs. 4,313,903 (Previous year Rs. 34,711,385)]		37,012,024	140,641,916
Gain on foreign exchange fluctuation (Net)		212,031,304	-
Miscellaneous Income		686,078	5,289,419
Total		8,433,828,351	3,603,785,494
EXPENDITURE			
Cost of Fuel (Refer Note 17 of Schedule 12)		220,955,722	-
Employee Cost	10	433,184,191	244,882,489
Generation, Administration and Other Expenses	11	626,307,507	786,488,784
Depreciation		57,130,793	2,176,878
Interest and Finance Charges		70,246,671	-
Total		1,407,824,884	1,033,548,151
Profit before Tax and Minority Interest		7,026,003,467	2,570,237,343
Provision for Taxation			
Current Tax		186,803,795	119,014,172
Fringe Benefit Tax		-	6,040,000
Wealth Tax		250,000	100,000
Profit after Tax and before Minority Interest		6,838,949,672	2,445,083,171
Minority Interest		-	(14,000)
Profit after Tax and Minority Interest		6,838,949,672	2,445,097,171
Profit and Loss Account balance brought forward		3,299,050,289	853,953,118
Profit and Loss Account balance carried forward to Balance Sheet		10,137,999,961	3,299,050,289
Earnings Per Share - Basic and Diluted (Refer Note 11 of Schedule 12)		2.85	1.02
Notes forming part of the consolidated financial statements	12		

As per our attached report of even date

For Price Waterhouse

Chartered Accountants
Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No: 101720 W

Partha Ghosh

Partner
Membership No. 55913

C D Lala

Partner
Membership No. 35671

For and on behalf of the Board of Directors

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao

J L Bajaj

Dr Yogendra Narain

Dr V K Chaturvedi

Directors

J P Chalasani

Chief Executive Officer

Paresh Rathod

Company Secretary
and Manager

Place : Mumbai
Date : May 15, 2010

Place : Mumbai
Date : May 15, 2010

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Schedule 1 - Share Capital		
Authorised:		
5,000,000,000 Preference Shares of Rs. 10 each	50,000,000,000	50,000,000,000
11,000,000,000 Equity Shares of Rs. 10 each	110,000,000,000	110,000,000,000
	160,000,000,000	160,000,000,000
Issued and Subscribed		
2,396,800,000 (Previous Year: 2,396,800,000) Equity shares of Rs.10 each fully paid up*	23,968,000,000	23,968,000,000
* (Of the above equity shares, 136,800,000 equity shares were allotted as fully paid up Bonus shares by capitalisation of Rs. 1,368,000,000 from securities premium account)		
	23,968,000,000	23,968,000,000
Schedule 2 - Reserves and Surplus		
Capital Reserve		
Capital Reserve on Consolidation	238,221	238,221
Securities Premium Account		
Balance as per last Balance sheet	110,478,160,093	111,834,316,481
Add: Calls paid	-	9,372,820
Add: Liability towards share issue expenses no longer required written back	-	2,470,792
Less: Capitalised as bonus equity shares	-	1,368,000,000
	110,478,160,093	110,478,160,093
General Reserve		
	46,056,629	46,056,629
Profit and Loss Account		
	10,137,999,961	3,299,050,289
	120,662,454,904	113,823,505,232
Schedule 3 - Secured Loans		
Term Loan from Banks and Financial Institutions		
- Rupee Loan	18,113,459,932	8,956,248,824
- Foreign Currency Loan	2,279,000,003	2,535,000,003
- Buyers' Credit (Refer Note 8 of Schedule 12)	1,763,643,009	1,833,693,221
	22,156,102,944	13,324,942,048
Schedule 4 - Unsecured Loan		
Short Term Loan from Bank	250,000,000	-
	250,000,000	-

Schedules annexed to and forming part of the Financial Statements

Schedule 5 – Fixed Assets

Particulars	Gross Block (At Cost)				Depreciation/Amortisation			Net Block			
	As at April 1, 2009	Additions on acquisition of Subsidiaries	Additions during the year	Deduction/ Adjustments during the year	As at March 31, 2010	Upto April 1, 2009	Additions on acquisition of Subsidiaries	For the Year	Deduction/ Adjustments during the year	As at March 31, 2010	As at March 31, 2009
Goodwill on Consolidation	4,175,122	834,378	-	-	5,009,500	-	-	-	-	5,009,500	4,175,122
Freehold Land (Refer Note 1 below)	2,125,803,531	-	1,548,473,829	37,436,263	3,636,841,097	-	-	-	-	3,636,841,097	2,125,803,531
Building	188,555,322	-	955,901,441	789,833	1,143,666,930	44,677,275	-	6,657,302	26,380	1,092,358,733	143,878,047
Leasehold Land (Refer Note 2 below)	467,270,158	-	474,417,917	-	941,688,075	8,159,852	-	7,615,796	-	925,912,427	459,110,306
Railway Sidings	-	-	1,270,781,666	-	1,270,781,666	-	-	3,307,514	-	1,267,474,152	-
Plant and Machinery (Refer Note 3 below)	63,371,478	-	16,321,246,735	-	16,384,618,213	4,142,711	-	56,489,909	-	16,323,985,593	59,228,767
Furniture, Fixtures and Office Equipments	43,176,949	49,250	28,398,931	56,900	71,568,230	9,005,350	35,205	5,907,484	6,178	56,626,369	34,171,599
Computer	20,609,727	61,560	37,286,010	-	57,957,297	2,428,614	27,426	6,460,771	15,069	49,055,555	18,181,113
Motor Vehicles	38,679,870	-	22,377,389	1,450,647	59,606,612	4,580,012	-	4,816,655	163,160	50,373,105	34,099,858
Total	2,951,642,157	945,188	20,658,883,918	39,733,643	23,571,737,620	72,993,814	62,631	91,255,431	210,787	164,101,089	23,407,636,531
Previous Year	2,148,287,007	-	725,551,286	77,803,864	2,951,642,157	16,877,768	-	31,348,091	24,767,955	72,993,814	-

Notes :

- Refer Note 5 (a) of Schedule 12
- During the year, CPPL, SPL and VIPL have capitalised Leasehold Land amounting to Rs. 154,350,922, Rs.192,349,820 and Rs. 123,747,000 respectively, on the basis of advance possession received on payment of all dues against the land. The land lease deed is pending execution in favour of the respective Companies.
- Refer Note 6 of Schedule 12 on exchange difference capitalised.

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

Schedule 6 - Capital Work-in-Progress

Particulars	Rupees				
	As at April 1, 2009	Additions on Acquisitions of Subsidiaries	Incurred during the year	Catitalised/ Adjusted	As at March 31, 2010
A. Assets under Construction	14,304,524,575	-	14,104,994,595	16,339,736,048	12,069,783,122
B. Expenditure pending allocation					
Interest and Finance Charges	1,226,733,674	110,639,995	3,256,145,550	1,727,313,496	2,866,205,723
Electricity Expenses	2,447,088	-	2,910,069	-	5,357,157
Rent	47,772,446	-	11,512,895	13,232,096	46,053,245
Repairs and Maintenance - Others	23,040,714	-	21,060,468	12,711,248	31,389,934
Employee Cost					
- Salaries and Other Costs	343,137,258	-	263,674,150	135,691,064	471,120,344
- Contribution to Provident and Other Funds (Refer Note 9 of Schedule 12)	11,961,960	-	12,123,966	4,726,812	19,359,114
- Gratuity and Leave Encashment (Refer Note 9 of Schedule 12)	5,218,529	-	9,895,765	2,857,466	12,256,828
Staff Welfare	25,281,390	-	7,037,751	13,517,079	18,802,062
Depreciation	46,048,981	62,631	34,124,638	10,491,009	69,745,241
Insurance Charges	2,310,481	-	7,850,829	-	10,161,310
Rates and Taxes	22,054,080	-	150,647,268	11,109,481	161,591,867
Advertisement Expenses	33,337,718	8,731,857	1,666,869	2,224,100	41,512,344
Administration Expenses	57,865,287	70,890,215	3,265,521	-	132,021,023
Bank and Corporate Guarantee Charges	73,078,839	-	86,586,186	1,732,273	157,932,752
Communication Expenses	9,880,890	-	6,979,278	4,345,763	12,514,405
Exchange (Gain)/Loss (Net) (Refer Note 6 of Schedule 12)	260,658,243	-	(399,981,271)	(80,303,050)	(59,019,978)
Fringe Benefit Tax	12,316,572	-	460,861	1,785,593	10,991,840
Legal and Professional Charges	1,214,434,782	203,278,845	926,171,128	148,884,725	2,195,000,030
Premium Paid to Regulatory authority/ State Government	1,207,300,000	-	35,700,000	-	1,243,000,000
Printing and Stationary	6,927,283	-	2,847,811	1,899,316	7,875,778
Project Development Charges	1,006,467,328	-	-	-	1,006,467,328
Security Expenses	6,494,600	-	9,989,868	1,450,016	15,034,452
Site Expenses	87,046,493	-	16,131,540	-	103,178,033
Social Welfare Expenses	49,124,269	-	19,308,292	6,716,832	61,715,729
Start Up and Commisioning Expenses	-	-	440,521,581	394,636,971	45,884,610
Survey and Investigation Expenses	213,332,118	-	346,307,177	-	559,639,295
Travelling and Conveyance	111,676,541	-	68,970,063	33,308,646	147,337,958
Miscellaneous Expenses	172,555,587	9,927,274	34,583,953	48,843,827	168,222,987
Carried forward	6,278,503,151	403,530,817	5,376,492,206	2,497,174,763	9,561,351,411

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 6 - Capital Work-in-Progress (Contd.)

Particulars	Rupees				
	As at April 1, 2009	Additions on Acquisitions of Subsidiaries	Incurred during the year	Catalised/ Adjusted	As at March 31, 2010
Brought Forward	6,278,503,151	403,530,817	5,376,492,206	2,497,174,763	9,561,351,411
Less: Income					
Sale of Infirm Power (Refer Note 1 e (iii) of Schedule 12)	-	-	80,887,598	80,887,598	-
Tender fees	11,504,050	9,717,739	4,495,113	-	25,716,902
Interest on Fixed Deposit	5,672,843	-	-	3,753,720	1,919,123
Dividend Income on Mutual Funds (Long Term Investments)	72,693,287	-	15,838,419	59,252,587	29,279,119
Dividend Income on Mutual Funds (Current Investments)	-	-	1,768,034	-	1,768,034
Other Income (Tax Deducted at Source Rs.114,690)	21,675,739	18,928,836	3,534,156	2,142,054	41,996,677
	111,545,919	28,646,575	106,523,320	146,035,959	100,679,855
Less: Provision for Income Tax	32,865,308	-	(28,037,632)	-	4,827,676
	78,680,611	28,646,575	134,560,952	146,035,959	95,852,179
Total	(B) 6,199,822,540	374,884,242	5,241,931,254	2,351,138,804	9,465,499,232
C. Construction Stores	734,172,016	-	917,877,583	-	1,652,049,599
(Includes material in transit of Rs.76,912,830 as at March 31, 2010)					
D. Advance against capital contracts	25,541,692,416	192,141,814	22,102,778,061	2,995,306,988	44,841,305,303
Total (A+B+C+D)	46,780,211,547	567,026,056	42,367,581,493	21,686,181,840	68,028,637,256
Previous Year	8,178,173,854	-	39,805,864,364	1,203,826,671	46,780,211,547

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

Schedule 7 – Investments (Non-Trade)

	No. of Units	Face Value Rs.	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
A. Long Term Investments				
In Mutual Fund Units (Fully paid-up, quoted)^				
Reliance Fixed Horizon Fund – XII – Series 4 – Super Institutional Growth Plan	500,000,000	10	5,000,000,000	5,000,000,000
Reliance Fixed Horizon Fund – IX – Series 9 – Institutional Growth Plan	1,875,000,000	10	18,750,000,000	18,750,000,000
Reliance Fixed Horizon Fund – XII – Series 3 – Super Institutional Growth Plan	125,000,000	10	1,250,000,000	1,250,000,000
Reliance Fixed Horizon Fund – VII – Series 2 – Institutional Growth Plan (Previous Year : 1,800,000,000 Units)	-	10	-	18,000,000,000
Reliance Fixed Horizon Fund – VII – Series 3 – Institutional Growth Plan (Previous Year : 300,000,000 Units)	-	10	-	3,000,000,000
Reliance Fixed Horizon Fund – VII – Series 5 – Institutional Growth Plan (Previous Year : 50,000,000 Units)	-	10	-	500,000,000
Reliance Fixed Horizon Fund – IX – Series 1 – Institutional Growth Plan (Previous Year : 1,300,000,000 Units)	-	10	-	13,000,000,000
Reliance Fixed Horizon Fund – IX – Series 5 – Institutional Growth Plan (Previous Year : 600,000,000 Units)	-	10	-	6,000,000,000
Reliance Fixed Horizon Fund – IX – Series 2 – Institutional Dividend Payout Plan (Previous Year : 100,000,000 Units)	-	10	-	1,000,000,000
Reliance Fixed Horizon Fund – IV – Series 6 – Institutional Growth Plan (Previous Year : 150,000,000 Units)	-	10	-	1,500,000,000
Reliance Fixed Horizon Fund – XII – Series 5 – Super Institutional Growth Plan	25,000,000	10	250,000,000	-
Reliance Fixed Horizon Fund – XIII – Series 1 – Growth Plan	75,000,000	10	750,000,000	-
Reliance Fixed Horizon Fund – XIII – Series 4 – Growth Plan	75,000,000	10	750,000,000	-
Reliance Fixed Horizon Fund – XIII – Series 5 – Growth Plan	15,000,000	10	150,000,000	-
Reliance Fixed Horizon Fund – XIII – Series 3 – Growth Plan	50,000,000	10	500,000,000	-
Reliance Fixed Horizon Fund – XIII – Series 6 – Growth Plan	35,000,000	10	350,000,000	-
Reliance Fixed Horizon Fund – XIV – Series 1 – Growth Plan	100,000,000	10	1,000,000,000	-
Reliance Fixed Horizon Fund – XIV – Series 2 – Growth Plan	50,000,000	10	500,000,000	-
Reliance Fixed Horizon Fund – XIV – Series 4 – Growth Plan	400,000,000	10	4,000,000,000	-
Reliance Fixed Horizon Fund – XIV – Series 5 – Growth Plan	50,000,000	10	500,000,000	-
Reliance Fixed Horizon Fund – XIV – Series 8 – Growth Plan	165,000,000	10	1,650,000,000	-
(Market value of Rs. 40,004,789,000) (Previous year Rs. 74,060,590,000)				
			35,400,000,000	68,000,000,000

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

	No. of Units	Face Value Rs.	March 31, 2010	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
B. Current Investments					
In Mutual Fund Units (Fully paid up, quoted)^					
Reliance Interval Fund – Quarterly Plan – Series I – Institutional Dividend Plan (Previous Year : 60,850,173 Units)		10	-	608,858,475	
Reliance Fixed Horizon Fund VIII – Series II – Institutional Growth Plan (Previous Year : 155,000,000 Units)		10	-	1,555,694,500	
Reliance Liquidity Fund – Daily Dividend Reinvestment Option (Previous Year : 1,273,634,549 Units)		10	-	12,740,293,759	
Reliance Money Manager Fund – Institutional Option – Daily Dividend Plan (Previous Year : 15,401,418 Units)		1000	-	15,418,920,740	
Reliance Liquid Fund – Treasury Plan – Institutional Option – Daily Dividend Option (Previous Year : 15,341,851 Units)		15	-	234,533,949	
Reliance Medium Term Fund – Daily Dividend Plan (Previous Year : 268,937,019 Units)		15	-	4,597,612,803	
Reliance Floating Rate Fund – Daily Dividend Reinvestment Option (Previous Year : 1,143,874 Units)		10	-	11,518,470	
Reliance Floating Rate Fund – Institutional Option – Growth plan (Previous Year : 393,112 Units)		10	-	4,956,512	
Reliance Quarterly Interval Fund – Series III – Institutional Growth Plan	121,758,188	10	1,500,000,000	-	
Reliance Medium Term Fund – Retail Growth Plan – Growth Option	250,786,380	15	4,783,825,429	-	
Reliance Money Manager Fund – Institutional Growth Plan	22,362,389	1000	35,130,995,587	-	
Reliance Liquidity Fund – Growth Option	23,653,836	10	327,790,135	-	
ICICI Prudential Ultra Short Term Plan Super Premium Growth	96,980,321	10	1,000,090,164	-	
LIC MF Income Plus Fund – Growth Plan	81,704,829	10	1,009,732,790	-	
(Market value of Rs. 43,773,674,038) (Previous year Rs. 35,300,264,492)			43,752,434,105	35,172,389,208	
^Includes unutilised money from the proceeds of Initial Public Offer (Refer Note 4 of Schedule 12)			79,152,434,105	103,172,389,208	
Aggregate book value of Quoted Investments			79,152,434,105	103,172,389,208	
Aggregate market value of Quoted Investments			83,778,463,038	109,360,854,492	

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Schedule 8 - Current Assets, Loans and Advances		
Inventories		
Fuel (Including material in transit of Rs. 60,143,091)	257,993,077	-
Stores and Spares	228,562,484	-
	<u>486,555,561</u>	<u>-</u>
Sundry Debtors (Unsecured and considered good)		
Debts outstanding for a period exceeding six months	-	-
Other Debts (Refer Note 16 of Schedule 12)	288,123,583	-
	<u>288,123,583</u>	<u>-</u>
Cash and Bank Balances		
Cash on Hand	-	3,407
Bank Balances with Scheduled Banks:		
- in Current Accounts*	417,609,848	215,766,080
- in Fixed Deposit Account (under lien with banks towards guarantee)	903,670,977	562,749
Cheques in Hand	16,674,974	-
*[Includes unclaimed share application money refund account balance of Rs. 39,480,272 (Previous Year Rs.105,122,483)]		
	<u>1,337,955,799</u>	<u>216,332,236</u>
Other Current Assets		
Interest accrued on Fixed Deposits	31,896,984	102,111,070
	<u>31,896,984</u>	<u>102,111,070</u>
Loans and Advances (Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	365,776,467	1,211,042,323
Advance Tax	784,884,346	186,839,384
Deposits	81,833,463	495,877,750
	<u>1,232,494,276</u>	<u>1,893,759,457</u>
	<u>3,377,026,203</u>	<u>2,212,202,763</u>
Schedule 9 - Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors (Refer Note 15 of Schedule 12)	4,122,314,079	2,598,640,497
Retention Money	2,203,518,168	778,880,390
Unclaimed share application money refunds	39,480,272	105,122,483
Other Liabilities	133,704,269	176,518,745
Interest accrued but not due	2,140,405	12,930,975
	<u>6,501,157,193</u>	<u>3,672,093,090</u>
Provisions		
Provision for Taxation	397,138,791	237,661,767
Provision for Gratuity and Leave Encashment (Refer Note 9 of Schedule 12)	30,880,263	17,249,724
	<u>428,019,054</u>	<u>254,911,491</u>
	<u>6,929,176,247</u>	<u>3,927,004,581</u>

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
Schedule 10 – Employee Cost		
Salaries and Other Cost	392,391,599	216,044,428
Contribution to Provident and Other Funds (Refer Note 9 of Schedule 12)	19,645,056	11,086,560
Gratuity and Leave Encashment (Refer Note 9 of Schedule 12)	15,060,826	14,343,762
Staff Welfare Expenses	6,086,710	3,407,739
	<u>433,184,191</u>	<u>244,882,489</u>
 Schedule 11 – Generation, Administration and Other Expenses		
Bank and Finance Charges	16,937,882	17,705,382
Rent Expenses	129,763,986	166,682,001
Repairs and Maintainances – Others	6,945,831	3,690,487
Operation and Management Expenses	16,230,555	-
Advertisement Expenses	2,557,730	1,884,768
Printing and Stationery	29,384,741	28,013,263
Legal and Professional Charges	273,847,988	239,482,881
Postage and Courier	33,631,841	33,146,226
Travelling and Conveyance	37,887,954	44,535,376
Custodian Charges	40,742,409	28,073,857
Bonus Issue Expenses	-	60,585,678
Directors Sitting Fees	1,180,000	1,500,000
Tender Expenses	4,330,000	4,940,000
Rates and Taxes	4,476,046	57,056,380
Insurance	5,618,682	1,485,947
Foreign Exchange Loss (Net)	-	81,017,090
Loss on sale of Assets	146,889	-
Miscellaneous Expenses	22,624,973	16,689,448
	<u>626,307,507</u>	<u>786,488,784</u>

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

Schedule 12 – Notes forming part of consolidated financial statements

1. Significant Accounting Policies:

a) Basis of preparation of financial statements

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 ("the Act") and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006.

b) Basis of Consolidation

- (I) The consolidated financial statements relate to Reliance Power Limited (the Parent Company) and its subsidiary companies have been prepared in accordance with Accounting Standard 21 (AS-21) – "Consolidated Financial Statements" as prescribed by Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:
- The financial statements of the Parent and its subsidiary companies (together the "Group") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.
 - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries with respect of different accounting policies for like transactions and events in similar circumstances for the purpose of preparation of consolidated financial statements.
 - The excess of cost to the Parent Company of its investment in the subsidiary over the Parent Company's portion of equity of the subsidiary is recognised in the financial statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.
 - The financial statements of the subsidiaries used in consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended March 31, 2010.
- (II) The subsidiaries considered in the consolidated financial statements are:

Names of the Subsidiaries	Country of incorporation	Proportion (%) of shareholding as on March 31, 2010	Proportion (%) of shareholding as on March 31, 2009
a) Sasan Power Limited (SPL)	India	100	100
b) Rosa Power Supply Company Limited (RPSCL)	India	100	100
c) Maharashtra Energy Generation Limited (MEGL)	India	100	100
d) Vidarbha Industries Power Limited (VIPL)	India	100	100
e) Tato Hydro Power Private Limited (THPPL)	India	100	100
f) Siyom Hydro Power Private Limited (SHPPL)	India	100	100
g) Chitrangi Power Private Limited (CPPL)	India	100	100
h) Urthing Sobla Hydro Power Private Limited (USHPPL)	India	80	80
i) Kalai Power Private Limited (KPPL)	India	100	100
j) Coastal Andhra Power Limited (CAPL)	India	100	100
k) Reliance Coal Resources Private Limited (RCRPL)	India	100	100
l) Reliance Power International SARL (RPIS)	Luxembourg	100	100
m) Sasan Power Infrastructure Limited (SP Infrastructure)	India	100	100

Schedules annexed to and forming part of the Financial Statements

Names of the Subsidiaries	Country of incorporation	Proportion (%) of shareholding as on March 31, 2010	Proportion (%) of shareholding as on March 31, 2009
n) Sasan Power Infraventures Private Limited (SP Infraventures)	India	100	100
o) Maharashtra Energy Generation Infrastructure Limited (MEGIL)	India	100	100
p) Coastal Andhra Power Infrastructure Limited (CAPIL)	India	100	100
q) Amulin Hydro Power Private Limited (AHPPL) (w.e.f. 07-July-2009)	India	100	-
r) Emini Hydro Power Private Limited (EHPPL) (w.e.f. 07-July-2009)	India	100	-
s) Mihundon Hydro Power Private Limited (MHPPL) (w.e.f. 07-July-2009)	India	100	-
t) Jharkhand Integrated Power Limited (JIPL) (w.e.f. 07-Aug-2009)	India	100	-

c) Revenue Recognition:

In case of RPSCL, revenue from Sale of Energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of power purchase agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL). In case where tariff rates are yet to be approved/agreed, provisional rates are adopted based on the principals enunciated in PPA and UPERC regulations.

Profit on sale/redemption of investments is accounted on sale/redemption of such investments. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments.

d) Foreign Currency Transactions:

- (i) Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of short term monetary items are recognised in the Profit and Loss Account.
- (ii) In respect of long term foreign currency monetary items, the Group has availed the option available in the Companies (Accounting Standards) Amendment Rules, 2009 i.e. to adjust the cost of the asset towards the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded, in so far as they relate to depreciable capital asset and depreciating the same over the balance life of the asset. With respect to exchange differences arising on other long term foreign currency monetary items, the same is accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term monetary item but not beyond March 31, 2011.
- (iii) Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

e) Fixed Assets and Capital Work-in-progress:

- (i) The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.
- (ii) All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental/attributable to construction of project, borrowing cost incurred prior to the date of commencement of commercial operation and trial run expenditure are shown under Capital Work-in-Progress. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.
- (iii) Income earned from Sale of Energy (known as Infirm Power) prior to start of commercial operations at RPSCL is recognised as per the terms of PPA with UPPCL and netted off from pre-operative expenditure. As at the year end, the billed and unbilled revenue due to be received has been disclosed as debtors in Schedule 8.
- (iv) Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.
- (v) Construction stores have been valued at weighted average cost.

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

f) Depreciation / Amortisation:

Fixed assets are depreciated under the straight line method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Leasehold land is amortised over the lease period. Software expenses are amortised over a period of three years.

g) Investments:

Long-term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments. Current investments are valued at lower of cost and fair value.

h) Inventories:

Inventories are stated at lower of cost and net realisable value. In case of fuel, stores and spares "cost" means weighted average cost.

i) Retirement Benefits:

Contribution to defined contribution scheme such as provident fund, superannuation fund, etc. are charged to the Profit and Loss Account/Capital Work-in-Progress, as applicable, as incurred. The Group also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss Account/Capital Work-in-Progress, as applicable based on the actuarial valuations, as at the balance sheet date, made by independent actuaries.

j) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k) Accounting for Taxes on Income:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

l) Provisions:

The Group recognises provisions when there is a present obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

m) Impairment of Assets:

The Group 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 recognized in the Profit and Loss Account.

2. a) Contingent Liabilities:

- (i) Counter Guarantees given to banks against guarantees issued by the banks on behalf of the group aggregate to Rs. 12,000,000,000 (previous year Rs. 6,000,000,000)
- (ii) In case of SPL, claims not acknowledged as debts Rs 5,120,000 (Previous year Rs. 5,120,000).
- (iii) In case of CAPL, Government of Andhra Pradesh has levied a penalty of Rs.12,892,039 at the rate of 50% on account of non payment of conversion fee of Rs. 25,784,078 towards conversion of agriculture land to non-agricultural land at site. CAPL has filed an appeal with the Collectorate and District Magistrate, Nellore District, for waiver of the above amount.

b) Capital Commitments:

Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs. 424,563,476,531 (previous year Rs. 325,310,845,935).

Schedules annexed to and forming part of the Financial Statements

3. Managerial remuneration (excluding contribution to gratuity fund and provision for leave encashment on retirement) paid/payable to Directors/Manager:

	2009-2010 Rupees	2008-2009 Rupees
Whole time Director and Manager		
(i) Salary	5,594,679	4,552,648
(ii) Perquisites*	182,590	91,233
(iii) Contribution to Provident Fund	209,328	210,094
Directors other than Whole time Director		
(i) Sitting fees	1,180,000	1,500,000
Total	7,166,597	6,353,975

* Valued as per Income Tax Act, 1961

4. The proceeds from the initial public offer (IPO) and its utilisation upto March 31, 2010 are given below:

Particulars	Rupees	
	Projected	Actual
Proceeds from IPO		115,632,000,000
Utilisation upto March 31, 2010		
Funding subsidiaries to part finance the construction and development costs of following identified projects 600 MW Rosa Phase I, 600 MW Rosa Phase II, 300 MW Butibori, 3,960 MW Sasan, 1,200 MW Shahapur Coal, 400 MW Urthing Sobla.	44,998,700,000	30,963,861,336
Funding subsidiaries to part finance the construction and development costs of following projects falling under general corporate purpose category 4,000 MW Krishnapatnam, 700 MW Tato II, 1,000 MW Siyom, 3,960 MW Chitrangi, 1,200 MW Kalai II, 3,960 MW Tilaiya, 420 MW Amulin, 500 MW Emini, 400 MW Mihundon and Coal Resources.		22,558,451,049
Share issue expenses	1,190,500,000	1,185,839,907
Total Utilised Amount		54,708,152,292
Unutilised amount		60,923,847,708
Break up of unutilised amount:		
Investments in Mutual Funds		59,976,428,638
Bank Balance in Current account and Fixed Deposits		917,419,070
Deposit with Bombay Stock Exchange Limited		30,000,000
Total		60,923,847,708

5. a) The Company is currently developing a 7,480 MW gas-fired power project to be located at the Dhirubhai Ambani Energy City in Dehra village, Dadri, Uttar Pradesh. The State of Uttar Pradesh in the year 2004 has acquired 2,100 acres of land and conveyed the same to the Company in the year 2005. While the State is in the process of acquiring further 400 acres of land for the project, a few land owners filed writ petitions before the Allahabad High Court challenging the acquisition process under Land Acquisition Act, 1894 ("the Act"). The Allahabad High Court has disposed of the writ petitions upholding the Section 4 notification and directed to comply with certain procedures relating to land acquisition that were left out earlier by State Government. The Company has filed appeal against the Allahabad High Court order which is now pending before Supreme Court.
- b) The Dadri project has already received all statutory clearances from the Central and Uttar Pradesh government authorities including Environmental Clearance for the full capacity of 7,480 MW. The Project will use gas sourced from Krishna-Godavari basin ("KG Basin") being developed by Reliance Industries Limited (RIL). Subsequent to balance sheet date, the Honorable Supreme Court has pronounced its judgement in the case between RIL and Reliance Natural Resources Limited (RNRL), where in both the parties have been directed to re-negotiate the terms of gas supply within a stipulated period of time. The critical site activities like construction of approach road and site office have been completed. Other activities will be commenced as soon as the gas supply arrangement is firmed up and on settlement of land acquisition issues. Expenditure

Reliance Power Limited

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incurred during the construction and incidental to setting up the project are carried forward as "Capital Work-in-Progress". These expenses would be capitalised as fixed assets on completion of the project and commencement of commercial operations. Considering the current status and future plans with regard to the project, the company does not envisage provision for impairment as at the balance sheet date.

6. Exchange differences on foreign currency monetary items:

The Group 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) Amendment, Rules, 2009 vide notification dated March 31, 2009 from Ministry of Corporate Affairs. Due to exercise of the said option as explained in Note 1(d) above, the Group has adjusted the value of depreciable capital assets/capital work-in-progress by Rs. 345,256,201 (gain) (previous year Rs. 275,745,233 loss) towards the exchange difference arising on long term foreign currency monetary liabilities. The above amount also includes Rs. 11,996,956 of exchange gain adjusted to the value of depreciable assets subsequent to capitalisation of capital expenditure on start of commercial operations of RPSCL. The exchange difference would be depreciated over the remaining life of the assets. There are no other long term foreign currency monetary items.

7. During the year, Amulin Hydro Power Private Limited (AHPPL), Emini Hydro Power Private Limited (EHPPL), Mihundon Hydro Power Private Limited (MHPPL) and Jharkhand Integrated Power Limited (JIPL) have become wholly owned subsidiaries of the Parent Company. The net profit and goodwill on acquisition of these subsidiaries on Group is Rs. 1,695,230 and Rs. 834,378, respectively.

8. RPSCL (Rs. 20,391,602,944), SPL (Rs. 1,500,000,000) and VIPL (Rs. 264,500,000) have secured loans from banks and financial institutions which are secured by the following:

RPSCL and VIPL:

- a) First mortgage and charge of all the immovable properties, present and future.
- b) First charge by way of hypothecation of all movable properties and assets, present and future.
- c) First charge on operating cash flows, current assets, receivables and revenues, present and future.
- d) First charge on all intangible assets, present and future.
- e) First charge on all letter of credit, escrow accounts, trust and any other bank accounts.

SPL:

- a) First mortgage and charge of 0.50 hectares of land comprised in Khasara no. 1357/2a in village Siddhi Kurd, District Singrauli, Madhya Pradesh, together with all buildings, erections and constructions of every description.
- b) First mortgage and charge of Plant and machinery, tangible and intangible, moveable assets (both present and future), electrical systems, hardware, computer software, wiring, pipelines, tanks, electronic spares and machinery spares
- c) First mortgage and charge of rights, title, interest, benefit, claims, and demands to the Power Project Insurance Contracts, all licenses, permits, approvals, assignments, concessions, consents and clearances.
- d) First mortgage and charge of rights, interest, claims and benefits in the accounts including, the Trust and Retention Account, all cash flows in the Accounts and all other assets and securities.
- e) First mortgage and charge on receivables including all insurance proceeds, book debts, all cash flows, all bills, whether documentary or clean, all cash in hand, all investments, book debts, uncalled capital.
- f) First mortgage and charge on goodwill and all estate, rights, title, interest, property, benefits, claims and demands whatsoever (both present and future) of the company.

9. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits" (AS-15)

The Group has classified various employee benefits as under:

Defined contribution plans

- (a) Provident fund
- (b) Superannuation fund
- (c) State defined contribution plans
 - Employees' Pension Scheme 1995

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 Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income tax authorities.

Reliance Power Limited

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The Group has recognised the following amounts in the Profit and Loss Account / Capital Work-in-Progress for the year:

Particulars	Rupees	
	2009-2010	2008-2009
(a) Contribution to provident fund	23,564,345	14,593,243
(b) Contribution to employees' superannuation fund	5,270,842	3,318,595
(c) Contribution to employees' deposit linked insurance	312,176	63,722
(d) Contribution to employees' pension scheme 1995	2,621,659	1,792,407

Defined Benefit Plans

- (a) Gratuity
- (b) Leave Encashment

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the Group 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:

Particulars	Gratuity		Leave Encashment	
	2009-2010	2008-2009	2009-2010	2008-2009
Discount Rate (per annum)	8.25%	7.50%	8.25%	7.50%
Rate of increase in compensation levels	7.50%	6.00%	7.50%	6.00%
Rate of return on plan assets	8.25%	6.00%	8.25%	7.50%
Expected average remaining working lives of employees in years	8 to 26	17 to 24	-	-

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-2010	2008-2009	2009-2010	2008-2009
(i)	Changes in present value of obligation				
	Opening balance of present value of obligation	18,242,216	6,948,791	17,452,635	4,489,345
	Liability on transfer of Employees (Net)	691,442	4,613,853	682,229	3,226,190
	Interest Cost	2,039,837	555,903	2,592,307	359,148
	Current Service Cost	9,119,082	2,551,571	17,824,290	2,526,060
	Actuarial (gains)/loss	454,177	3,572,098	(5,406,927)	6,851,892
	Benefits paid	-	-	(936,906)	-
	Closing balance of present value of obligation	30,546,754	18,242,216	32,207,628	17,452,635
(ii)	Changes in fair value of plan assets				
	Opening balance of present value of plan assets	17,758,883	8,119,677	-	-
	Expected return on plan assets	1,331,917	646,602	-	-
	Employer's Contributions	12,245,000	8,992,604	936,906	-
	Actuarial gains/(loss) on plan assets	334,259	-	-	-
	Planned assets on transfer of employee (net)	54,889	-	-	-

Reliance Power Limited

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Sr. No.	Particulars	Rupees			
		Gratuity		Leave Encashment	
		2009-2010	2008-2009	2009-2010	2008-2009
	Benefits paid	-	-	(936,906)	-
	Closing balance of fair value of plan assets	31,724,948	17,758,883	-	-
	Plan assets pending transfer	5,281,281	4,613,853	1,327,364	210,912
	Closing balance of fair value of plan assets (including pending transfer)	37,006,229	22,372,736	1,327,364#	210,912#
	# Recoverable from the company from where employees have been transferred.				
(iii)	Percentage of each category of plan assets to total fair value of plan assets				
	Administered by Insurance companies of respective companies	100%	100%	-	-
(iv)	Reconciliation of present value of defined present obligations and the fair value of assets				
	Closing balance of present value of obligation	30,546,754	18,242,216	32,207,627	17,452,635
	Closing balance of fair value of plan assets (including pending transfers)	37,006,229	22,372,736	1,327,364	210,912
	(Asset)* / Liability recognised in the Balance Sheet	(6,459,475)	(4,130,520)	30,880,263	17,241,723
(v)	Amounts recognised in the Balance Sheet				
	Closing balance of present value of obligation	30,546,754	18,242,216	32,207,627	17,452,635
	Closing balance of fair value of plan assets (including pending transfers)	37,006,229	22,372,736	1,327,364	210,912
	(Asset)* / Liability recognised in the Balance Sheet	(6,459,475)	(4,130,520)	30,880,263	17,241,723
(vi)	Expenses recognised in the Profit and Loss Account/Capital work-in-progress				
	Current service cost	9,119,082	2,551,571	17,824,290	5,541,338
	Interest cost	2,039,837	555,903	2,592,307	359,148
	Expected return on plan assets	(1,331,917)	(649,574)	-	-
	Excess provision written back	-	-	-	-
	Net actuarial (gain)/loss	119,919	3,575,070	(5,406,927)	6,851,892
	Total expenses recognised during the year	9,946,921	6,032,970	15,009,670	12,752,378
(vii)	Expected Employers' Contribution for the next year	7,970,000	9,091,360	-	-

* Grouped under Schedule 8 in Advance Recoverable in Cash or kind for value to be received.

(viii) Disclosure as required under Para 120 (n) of AS-15:

Sr. No.	Particulars	2009-2010		2008-2009		2007-2008	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(i)	Present value of the defined benefit obligation	30,546,754	32,207,627	18,242,216	17,452,635	6,948,791	4,489,345
	Fair value of the plan assets	37,006,229	1,327,364	22,372,736	210,912	8,119,677	-
	(Surplus)/Deficit in the plan	(6,459,475)	30,880,263	(4,130,520)	17,241,723	(1,170,886)	4,489,345
(ii)	Experience Adjustments						
	On plan liabilities	(1,395,950)	(5,568,413)	3,263,861	6,851,893	-	-
	On plan assets	334,258	-	(2,971)	-	-	-
	Total experience adjustment	(1,061,692)	-	3,260,890	-	-	-

Since the Group has adopted AS - 15 for the first time during the financial year ended March 31, 2008, hence the disclosure for gratuity and leave encashment figures as required by Para 120 (n) of AS-15 have not been presented for the financial year prior to 2007-2008.

Schedules annexed to and forming part of the Financial Statements

10. Related Party Transactions:

As per Accounting Standard 18 'Related Party Disclosures' as prescribed by Companies (Accounting Standards) Rules, 2006, following are the Group's related parties with whom transactions have been done during the year

- (i) Investing Parties:
 - a) Reliance Infrastructure Limited (R Infra)
 - b) AAA Project Ventures Private Limited (APVPL)
 - c) AAA International Capital Private Limited
 - d) Reliance Enterprises and Ventures Private Limited
- (ii) Person having control over the investing party as defined in (i) above: Shri Anil D Ambani, Chairman
- (iii) Key Management Personnel
 - Shri K H Mankad, Whole Time Director
 - Shri J P Chalasani, Chief Executive Officer
 - Shri Paresh Rathod, Manager
- (iv) Enterprises over which person described in clause (ii) above has control
 - Reliance Natural Resources Limited (RNRL)
 - Reliance General Insurance Company Limited (RGICL)
 - Reliance Infocomm Infrastructure Private Limited (RIIPL)
 - Reliance Communications Limited (R Com)
 - Reliance Communications Infrastructure Limited (RCIL)
 - Reliance Capital Limited (RCL)

Rupees

Particulars	Investing Parties	Enterprise over which person described in clause (ii) above has control	Person having control over the investing party / Key Management Personnel	Total
Transactions during the year:				
Salaries, Commission and Other benefits:				
- Shri K H Mankad	-	-	4,780,856	4,780,856
	-	-	3,866,043	3,866,043
- Shri J P Chalasani	-	-	11,365,311	11,365,311
	-	-	11,393,953	11,393,953
- Shri Paresh Rathod	-	-	1,205,741	1,205,741
	-	-	987,932	987,932
Sitting Fees:				
- Shri Anil D Ambani	-	-	100,000	100,000
	-	-	200,000	200,000
Guarantees provided against a tender:				
- R Infra	465,000,000	-	-	465,000,000
	-	-	-	-
Advances given against EPC Contract:				
- R Infra	8,000,000,000	-	-	8,000,000,000
	17,950,000,000	-	-	17,950,000,000
Advances refunded against EPC Contract:				
- R Infra	900,000,000	-	-	900,000,000
	1,050,000,000	-	-	1,050,000,000

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

Particulars	Rupees			
	Investing Parties	Enterprise over which person described in clause (ii) above has control	Person having control over the investing party / Key Management Personnel	Total
Interest Income:				
- R Infra	4,832,877	-	-	4,832,877
	140,585,976	-	-	140,585,976
Rent				
- RIPL	-	110,454,651	-	110,454,651
	-	133,816,155	-	133,816,155
Professional Fees and Reimbursement of Expenses paid:				
- R Infra	69,957,583	-	-	69,957,583
	377,440,124	-	-	377,440,124
- RCIL	-	3,148,829	-	3,148,829
	-	-	-	-
- RCL	-	942,058	-	942,058
	-	-	-	-
- RNRL	-	-	-	-
	-	10,004,865	-	10,004,865
Reimbursement of Expenses Received:				
- R Infra	6,401,659	-	-	6,401,659
	-	-	-	-
- R Com	-	2,480,347	-	2,480,347
	-	-	-	-
Assets purchased:				
- R Infra	1,258,352	-	-	1,258,352
	27,592,429	-	-	27,592,429
- RCIL	-	4,080,919	-	4,080,919
	-	-	-	-
- RIPL	-	4,294,160	-	4,294,160
	-	-	-	-
- R Com	-	9,431,760	-	9,431,760
	-	-	-	-
Material and Services received:				
- R Infra	2,181,402,631	-	-	2,181,402,631
	890,145,882	-	-	890,145,882
- R Com	-	25,874,013	-	25,874,013
	-	4,957,386	-	4,957,386
Insurance Premium				
- RGICL	-	46,764,099	-	46,764,099
	-	25,141,244	-	25,141,244

Schedules annexed to and forming part of the Financial Statements

Rupees				
Particulars	Investing Parties	Enterprise over which person described in clause (ii) above has control	Person having control over the investing party / Key Management Personnel	Total
Closing Balances				
Current Liabilities and Provisions				
- R Infra	192,380,852	-	-	192,380,852
	<i>260,848,978</i>	-	-	<i>260,848,978</i>
- RCIL	-	2,833,946	-	2,833,946
	-	-	-	-
- RGICL	-	14,436	-	14,436
	-	-	-	-
- RI IPL	-	32,642,858	-	32,642,858
	-	-	-	-
- R Com	-	25,873,430	-	25,873,430
	-	-	-	-
Retention payable towards EPC Contract:				
- R Infra	306,776,411	-	-	306,776,411
	<i>88,757,656</i>	-	-	<i>88,757,656</i>
Balance of EPC Advances:				
- R Infra	21,805,488,835	-	-	21,805,488,835
	<i>16,369,201,533</i>	-	-	<i>16,369,201,533</i>
Balance Receivable:				
- R Infra	3,768,508	-	-	3,768,508
	<i>94,069,780</i>	-	-	<i>94,069,780</i>

Figures in italics are pertaining to previous year.

Reliance Infrastructure Limited has given equity support undertakings to power procurers in respect of Sasan Ultra Mega Power Project (UMPP), Krishnapatnam UMPP, Tilaiya UMPP and Chitrangi Power Project of the Group for setting up the respective projects and has also given funding support undertaking for cost overrun and equity support undertaking to financial institutions/banks in respect of Rosa Power Project, the amounts of which currently are not ascertainable.

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

11. Earnings Per Share

Particulars		2009-2010	2008-2009
Profit available to Equity Shareholders			
Profit / (Loss) after Tax (Rs.)	(A)	6,838,949,672	2,445,097,171
Number of Equity Shares			
Weighted Number of equity shares outstanding	(B)	2,396,800,000	2,396,745,733
Basic and diluted earnings per share (Rs.)	(A/B)	2.85	1.02
Nominal value of an Equity Share (Rs.)		10	10

12. The Management has been legally advised that the parent Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Parent Company.

Reliance Power Limited

Schedules annexed to and forming part of the consolidated financial statements

13. 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, 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.

14. Operating Lease:

- a) The Parent Company has entered into cancellable leasing agreement for its office premises renewable by mutual consent on mutually agreeable terms.
- b) Future minimum lease payments under non cancellable operating lease are as under:-

Particulars	Lease Rental Debited to Profit and Loss Account (Rupees)	Future Minimum Lease Rentals (Rupees)			Period of Lease*
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years	
Noida office	10,190,808	11,124,965	12,144,046	Nil	48 months lease
Mumbai office	15,273,035	16,036,685	3,374,453	Nil	36 months lease
Mumbai office	12,939,534	13,586,508	3,437,550	Nil	36 months lease

*The lease terms are renewable on a mutual consent of lessor and lessee. The lease rentals have been disclosed under the head "Rent expenses" under Schedule 11.

15. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Scale Business Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

16. RPSCL has commissioned its first unit of 300 mega watt during the year and started commercial operations with effect from March 12, 2010. Pending final determination of tariff by UPERC, sales aggregating Rs. 207,235,985 has been provisionally recognised considering the tariff petition filed, based on the principals enunciated in PPA entered with UPPCL read with UPERC regulations. As at the year end, unbilled revenue has been disclosed as debtors in schedule 8.
17. Cost of fuel includes Rs. 98,207,333 representing cost of carpet coal and dead oil, which has been charged off to Profit and Loss Account as fuel consumption subsequent to the start of the commercial operation of RPSCL.
18. Pursuant to the exemption granted by the Ministry of Corporate Affairs, Government of India, the Parent Company is publishing the consolidated and standalone financial statements of Reliance Power Limited and its subsidiaries. The financial statements and auditors' report of the individual subsidiaries are available for inspection by the shareholders at the registered office except in case of RPIS, which has been consolidated based on the unaudited financial statements as approved by the Board of Directors of RPIS. However, the information in aggregate on capital, reserves, total assets, total liabilities, details of investments, turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend for each subsidiary are as follows:

Schedules annexed to and forming part of the Financial Statements

Financial information of Subsidiary Companies										Rupees
Name of subsidiary	Share Capital (Including Share Application Money)	Reserves and Surplus/ Profit and Loss Account (Debit Balance)	Total Assets (Fixed Assets + CWIP + Current Assets + Deferred Tax Assets)	Total Liabilities (Debts + Current Liabilities + Deferred Tax Liabilities)	Investment	Turnover *	Profit / (Loss) before Taxation	Provision for Taxation debited to Profit and Loss Account	Profit / (Loss) after Taxation	
SPL	6,833,904,758	12,352,331,571	21,168,396,404	2,101,037,580	118,877,505	312,231	305,618	100,000	205,618	
RPSC	10,041,900,000	2,683,944,677	36,311,433,316	24,660,020,853	1,074,432,215	419,267,289	45,304,421	7,720,000	37,584,421	
MEGL	87,134,011	499,744,320	603,491,763	16,613,431	-	31,627	28,567	-	28,567	
VIPL	3,368,360,000	(24,917,760)	3,865,967,090	633,736,757	111,211,906	103,340	71,102	12,084	59,018	
THPPL	32,800,000	492,650,423	234,958,348	8,083,000	298,575,074	275,673	272,673	12,000	260,673	
SHPPL	55,950,000	1,203,366,830	1,264,425,192	5,108,361	-	5,216,901	5,211,871	1,496,104	3,715,767	
CPPPL	12,952,420,000	998,251,755	13,414,197,158	262,147,462	798,622,060	1,623,637	(257,330)	38,500	(295,830)	
USHPPL	140,500,000	(1,360,000)	140,029,915	889,915	-	-	-	-	-	
KPPL	123,400,000	997,007,536	1,120,902,926	495,390	-	-	(1,852,000)	-	(1,852,000)	
CAPL	736,970,000	9,814,846,449	11,201,694,457	650,143,839	265,831	176,207	16,090	-	16,090	
RCRPL	237,634,620	(239,705,603)	8,029,039	10,100,022	-	3,429	(122,861,810)	-	(122,861,810)	
SPIL	500,000	164,175,448	113,242,410	12,975,427,575	13,026,860,612	57,391,757	57,364,182	2,400,000	54,964,182	
SPIVL	100,000	91,329,713	60,340,709	11,525,716,545	11,556,805,550	106,382,069	106,364,300	15,000,000	91,364,300	
MEGIL	5,000,000	24,986,700	55,058,046	6,308,878,375	6,283,807,029	25,362,312	25,325,967	550,000	24,775,967	
CAPIL	500,000	52,832,162	104,252,409	4,356,016,545	4,305,096,297	55,524,470	55,506,425	2,600,000	52,906,425	
MHPPL	240,100,000	(24,255)	240,099,490	23,745	-	-	(24,255)	-	(24,255)	
EHPPL	351,100,000	(24,255)	351,099,490	23,745	-	-	(24,255)	-	(24,255)	
AHPPL	378,100,000	(24,255)	378,099,490	23,745	-	-	(24,255)	-	(24,255)	
JIPL	13,273,194	2,997,858,510	1,356,013,947	256,650,238	1,911,767,995	1,767,995	933,617	75,107	858,510	
RPIS	800,603	(1,977,675)	(25,084)	1,151,988	-	217,187	(822,737)	-	(822,737)	

* Represents other Income also.

No dividend proposed by any subsidiary Companies.

19. Figures for the previous year have been regrouped / rearranged wherever necessary to make them comparable for the current year.

As per our attached report of even date

For Price Waterhouse

Chartered Accountants

Firm Registration No: 301112 E

Firm Registration No: 101720 W

For and on behalf of the Board of Directors

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao
J L Bajaj
Dr. Yogendra Narain
Dr. V K Chaturvedi

Directors

J P Chatalani

Chief Executive Officer

Company Secretary and Manager

C D Lala

Partner

Membership No. 35671

Partha Ghosh

Partner

Membership No. 55913

Place : Mumbai

Date : May 15, 2010

Place : Mumbai

Date : May 15, 2010

Reliance Power Limited

Consolidated Cash Flow Statement for the year ended March 31, 2010

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
(A) CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Net Profit before taxation	7,026,003,467	2,570,237,343
Adjusted for :		
Dividend Income	(2,247,958,974)	(2,848,581,201)
Depreciation	57,130,793	2,176,878
Profit on redemption of mutual funds	(5,728,903,986)	(609,272,958)
Interest and Finance Charges	70,246,671	-
Loss on Sale of assets	146,889	-
Interest Income	(37,012,024)	(140,641,916)
Provision for Gratuity and Leave Encashment	13,630,539	12,760,378
Unrealised Exchange (Gain)/Loss	(212,031,304)	81,003,941
Operating Loss before working capital changes	(1,058,747,929)	(932,317,535)
Adjustments for :		
Inventories	(486,555,561)	-
Debtors	(288,123,583)	-
Other Current Asstes, Loans and Advances	(205,247,893)	(982,797,372)
Current Liabilities	(31,019,097)	90,389,418
Taxes Paid	(40,795,000)	-
Net Cash used in Operating Activities	(2,110,489,063)	(1,824,725,489)
(B) CASH FLOW FROM/(USED) IN INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work In Progress)	(35,614,504,248)	(37,273,458,612)
Sale of Fixed Assets	1,191,320	-
Dividend Income	2,247,958,974	2,848,581,201
Interest Received	122,322,246	38,542,463
Deposits (Non Trade)	414,044,287	12,277,070
Purchase of Investments	(200,182,369,756)	(28,697,003,881)
Acquisition of Subsidiaries	(500,000)	(800,603)
Advance recoverable in Cash or in Kind	1,030,295,202	(133,535,590)
Sale of Investments	229,931,228,845	57,367,749,704
Taxes Paid	(553,417,262)	(108,142,462)
Net Cash used in Investing Activities	(2,603,750,392)	(5,945,790,710)

Reliance Power Limited

Consolidated Cash Flow Statement for the year ended March 31, 2010

	Year ended March 31, 2010	Year ended March 31, 2009
	Rupees	Rupees
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Initial Public Offer including Securities Premium	-	9,840,348
Proceeds from Borrowings	9,637,789,120	8,504,640,639
Repayment of Borrowings	(400,000,000)	-
Interest and Finance Charges	(3,337,182,791)	(907,224,965)
Share Issue Expenses	-	(402,357,637)
Refund of Share Application Money	(65,642,211)	(3,487,924,964)
Net Cash generated from Financing Activities	5,834,964,118	3,716,973,421
Net Increase /(Decrease) in Cash and Cash equivalents (A+B+C)	1,120,724,663	(4,053,542,778)
Opening Balance of Cash and Cash equivalents		
- Balance in Current Account	215,769,487	4,268,546,154
- Balance in Fixed Deposit	562,749	528,256
Add : Cash taken over on acquisition of subsidiaries	898,900	800,603
Closing Balance of Cash and Cash equivalents		
- Balance in Current Account	434,284,822	215,769,487
- Balance in Fixed Deposit*	903,670,977	562,749

* Including Cash Collateral of Rs. 900,606,973 (Previous Year: Rs. 562,749) as at March 31, 2010

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

As per our attached report of even date

For Price Waterhouse

Chartered Accountants
Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No: 101720 W

Partha Ghosh

Partner
Membership No. 55913

C D Lala

Partner
Membership No.- 35671

For and on behalf of the Board of Directors

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao

J L Bajaj

Dr Yogendra Narain

Dr V K Chaturvedi

Directors

J P Chalasani

Chief Executive Officer

Paresh Rathod

Company Secretary
and Manager

Place : Mumbai
Date : May 15, 2010

Place : Mumbai
Date : May 15, 2010

Reliance Power LimitedRegistered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

Please fill the Attendance Slip and hand it over at the entrance of the meeting venue
 Joint shareholders may obtain additional Attendance Slip on request

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

Name and Address of the Shareholder

I/We hereby record my /our presence at the **16th Annual General Meeting** of Reliance Power Limited held on Tuesday, September 28, 2010, at 10:00 a.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020.

Signature of the shareholder or proxy

*Applicable for investors holding share(s) in electronic form.

..... TEAR HERE

PROXY FORM**Reliance Power Limited**Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

I/We of being a member/members of Reliance Power Limited hereby appoint of or failing him of as my/our proxy to vote for me/us and on my/our behalf at the 16th Annual General Meeting of Reliance Power Limited held on Tuesday, September 28, 2010, at 10:00 a.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020 or at any adjournment thereof.

Signed this day of 2010.

* Applicable for investors holding share(s) in electronic form.

Affix Re. 1 revenue stamp

- Note (1) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



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(Unit: Reliance Power Limited)

Madhura Estate, Municipal No. 1-9/13/C

Plot No. 13 & 13 C, Madhapur Village

Hyderabad 500 081

Tel. nos : + 91 40 4433 8100 / 4030 8000

Fax no : + 91 40 2342 0859

Email : rpower@karvy.com