

2nd Annual Report

2008-09

Urthing Sobla Hydro Power Private Limited

Board of Directors

Shri Laksman Ramakrishna
Shri Paresh Rathod
Shri Arun Kumar Bahadur

Auditors

M/s Chaturvedi & Shah
M/s Price Waterhouse

Bankers

ICICI Bank Limited

Second Annual General Meeting

Friday, September 25, 2009 at 10.30 a.m. at
Plot No. 56, 1st Floor, City Centre, Kochar Complex, Dehradun 248 001, Uttarakhand.

Registered Office

Plot No. 56, 1st Floor,
City Centre, Kochar Complex,
Dehradun 248 001, Uttarakhand,

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Urthing Sobla Hydro Power Private Limited

Notice

Notice is hereby given that the Second Annual General Meeting of the Members of Urthing Sobla Hydro Power Private will be held on Friday, September 25, 2009, at 10.30 a.m. at the registered office at Plot No 56, 1st Floor, City Centre, Kochar Complex, Rajapur Road, Dehradun 248001, Uttarakhand, to transact the following business:

Ordinary business :

1. To consider and adopt the Audited Profit and Loss Account for the period ended March 31, 2009 the Balance sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Laksman Ramakrishna who retires by rotation and being eligible offers himself for re-appointment
3. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT M/s Price Waterhouse, Chartered Accountants and M/s Chaturvedi & Shah, Chartered Accountants, be and are hereby appointed as joint Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the Conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company in addition to reimbursement of traveling and other out-of-pocket expenses."

By Order of the Board
For Urthing Sobla Hydro Power Private Limited

s/d

Paresh Rathod
Director

Date: April 21, 2009

Registered Office:
Plot No 56, 1st Floor, City Centre
Kochar Complex, Rajapur Road
Dehradun 248001, Uttarakhand

Notes:

1. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a 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 hours before the commencement of the Meeting.**
2. 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.

Urthing Sobla Hydro Power Private Limited

Directors' Report

To
The Members

Your Directors present the 2nd Annual Report together with audited statement of accounts of the Company for the year ended March 31, 2009.

Financial highlights

The highlights of the financial results are as under :

Particulars	(Rupees)	
	2008-09	2007-08
Total Expenditure	13,30,000	30,000
Profit/(Loss) Before Tax	13,30,000	(30,000)
Balance carried to Balance Sheet	13,60,000	(30,000)

Operations

The Company is setting up a 400 MW Hydro Electric Project on river Dhauliganga, a tributary of Sarda River which is situated in Pithoragarh district of Uttarakhand. The project was awarded by the Government of Uttarakhand on build, own, operate and transfer (BOOT) basis.

The Company is pursuing implementation of this project in co-ordination with the Government of Uttarakhand

Dividend

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

Fixed deposits

The Company has not accepted any deposit from the public.

Share Capital

During the year under review the share capital of the Company was increased from Rs. 10,00,000 divided into 1,00,000 Equity Shares of Rs.10 each to Rs. 25,00,00,000 divided into 2,50,00,000 Equity Shares of Rs. 10 each.

Personnel

During the year under review there was no employee drawing salary in excess of the limits set out under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time. Accordingly the required statement is not appended.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

- (a) The disclosure of information on conservation of energy, technology absorption, etc. required to be made in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 being not applicable, is not given.
- (b) During the year under review, there was no earning or outgoing in foreign exchange.

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed;
- (ii) the directors have 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, 2009 and of the loss of the Company for the said period;
- (iii) the directors have 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;
- (iv) the directors have prepared the annual accounts for the financial year ended March 31, 2009 on a going concern basis.

Auditors

M/s M/s Price Waterhouse, Chartered Accountants and M/s Chaturvedi & Shah, Chartered Accountants the existing joint statutory 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 a letter from M/s Price Waterhouse, Chartered Accountants and M/s Chaturvedi & Shah, Chartered Accountants, to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such appointment within the meaning of Sub section (3) of Section 226 of the Companies Act 1956. It is accordingly proposed to appoint M/s Price Waterhouse, Chartered Accountants and M/s Chaturvedi & Shah, Chartered Accountants as joint statutory auditors of the Company for the year 2009 - 10.

Acknowledgement

Your directors wish to place on record their appreciation of the support and co-operation received from the promoters, bankers, government authorities and business associates of the Company.

For and on behalf of the Board of Directors

Sd/-
Laksman Ramakrishna
Director

Sd/-
Paresh Rathod
Director

Place: Mumbai
Date: April 21, 2009

**AUDITORS' REPORT
TO THE MEMBERS OF URTHING SOBLA HYDRO POWER PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of Urthing Sobla Hydro Power Private Limited ('the Company') as at March 31, 2009 and the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, 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 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 Section 227(4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks 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 said Order to the extent applicable to the Company.
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 Section 211(3C) of the Act;
 - e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the director of the Company is disqualified as on March 31, 2009 from being appointed as a director in terms of Section 274(1)(g) 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 also 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, 2009;
 - (ii) in the case of the Profit and Loss Account, of the loss 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

C.D. Lala

C.D. Lala
Partner
Membership No. F-35671

Place : Mumbai
Date : April 21, 2009



For Price Waterhouse
Chartered Accountants

Vivek Prasad

Vivek Prasad
Partner
Membership No. F-104941

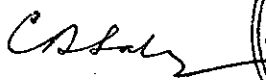
Place : Mumbai
Date : April 21, 2009

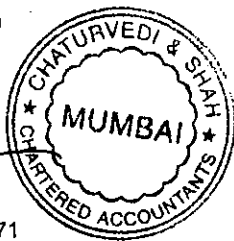
1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets.
(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and 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 has not been disposed of by the Company during the year.
2. (a) The Company has not granted 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, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we 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 are no contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register required to be maintained under that section.
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. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Order is not applicable to the Company for the current year.
7. The Central Government of India pursuant to the Cost Accounting Records (Electricity Industry) Rules, 2001 ('Rules') has prescribed maintenance of cost records prescribed 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 books and records as produced and examined by us, in accordance with generally accepted auditing practices in India and also based on Management representations, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, service tax and cess and other material statutory dues as applicable with the appropriate authorities in India.
(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, service tax and cess which have not been deposited on account of any dispute.
9. As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Order is not applicable to the Company for the current year.
10. According to the records of the Company examined by us and the information and explanations 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. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.
13. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
14. The Company has not given any guarantee for loans taken by others from banks or financial institutions.



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 listed in the register maintained under Section 301 of the Act during the year.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by public issue during the year.
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 not come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the Management.
21. Clause (ii) of the Order 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


C.D. Lala
Partner
Membership No. F-35671



Place : Mumbai
Date : April 21, 2009

For Price Waterhouse
Chartered Accountants


Vivek Prasad
Partner
Membership No. F-104941

Place : Mumbai
Date : April 21, 2009

Urthing Sobla Hydro Power Private Limited
Balance Sheet as at March 31, 2009

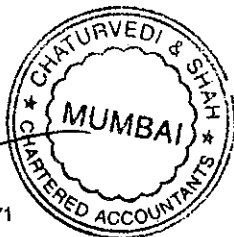
	Schedule	As at 31-03-2009		As at 31-03-2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		100,000		100,000
Share Application Money	1A		115,600,000		
Loan Funds					
Unsecured Loans	2				94,649,000
			<u>115,700,000</u>		<u>94,749,000</u>
APPLICATION OF FUNDS					
Fixed Assets	3				
Gross Block		499,384		396,032	
Less: Depreciation		<u>30,037</u>		<u>10,256</u>	
Net Block		469,347		385,776	
Capital Work-in-Progress	4	<u>129,649,288</u>	130,118,635	<u>99,828,061</u>	100,213,837
Current Assets, Loans and Advances	5				
Cash and Bank Balances		1,083,666		3,736,442	
Loans and Advances		<u>64,587</u>		<u>-</u>	
		1,148,253		3,736,442	
Less: Current Liabilities and Provisions	6				
Current Liabilities		<u>16,926,888</u>		<u>9,231,279</u>	
Net Current Assets / (Liabilities)			(15,778,635)		(5,494,837)
Profit and Loss Account			1,360,000		30,000
			<u>115,700,000</u>		<u>94,749,000</u>
Notes forming part of the Financial Statements	7				

The schedules referred to herein above form an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date.

For Chaturvedi & Shah
Chartered Accountants

C. D. Lala
Partner
Membership No.: F- 35671



For Price Waterhouse
Chartered Accountants

Vivek Prasad
Partner
Membership No.: F- 104941

Place: Mumbai
Date : April 21, 2009

For and on behalf of Board

Laksman Ramakrishna
Director

Paresh Rathod
Director

Place: Mumbai
Date : April 21, 2009

Urthing Sobla Hydro Power Private Limited
 Profit and Loss Account for the year ended March 31, 2009

Schedule	01-04- 2008 to	13-09- 2007 to
	31-03-2009	31-03-2008
	Rs.	Rs.
EXPENDITURE		
Preliminary Expenditure	-	30,000
Stamp Duty and Filing Fees	1,330,000	-
Total	1,330,000	30,000
Loss before Taxation	1,330,000	30,000
Provision for Taxation	-	-
Loss after Taxation	1,330,000	30,000
Balance of Loss brought forward from previous year	30,000	-
Profit and Loss Account Balance (Loss) carried to Balance Sheet	1,360,000	30,000
Loss per share - basic and diluted (10,000 equity share of Rs. 10 each)	(133)	(3)

Notes forming part of the Financial Statements

7

The schedules referred to herein above form an integral part of the Financial Statements.

This is the Profit and Loss Account referred to in our report of even date.

For Chaturvedi & Shah
 Chartered Accountants

C. D. Lala
 Partner
 Membership No.: F- 35671



For and on behalf of Board

Laksman Ramakrishna
 Director

For Price Waterhouse
 Chartered Accountants

Vivek Prasad
 Partner
 Membership No.: F- 104941

Paresh Rathod
 Director

Place: Mumbai
 Date : April 21, 2009

Place: Mumbai
 Date : April 21, 2009

Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

As at 31-03-2009 **As at 31-03-2008**
Rs. **Rs.**

Schedule 1: Share Capital

Authorised:
 25,000,000 (Previous Period: 100,000) Equity Shares of Rs.10 each
 (Refer Note 8 on Schedule 7)

	250,000,000	1,000,000
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Issued, Subscribed and Paid up:
 10,000 Equity Shares of Rs.10 each fully paid up
 (8,000 equity shares of the above shares are held by Reliance Power Limited, the Holding Company and its nominee and 2,000 Equity Shares are held by Reliance Infrastructure Limited)

	100,000	100,000
	100,000	100,000

Schedule 1A: Share Application Money

Share Application Money Pending Allotment
 (Refer Note 9 on Schedule 7)

	115,600,000	-
	115,600,000	-

Schedule 2: Unsecured Loans

Inter Corporate Deposit from Reliance Power Limited, the Holding Company
 [Payable within one year Rs. Nil (Previous Period Rs. Nil)]
 (Refer Note 9 on Schedule 7)

	-	94,649,000
	-	94,649,000

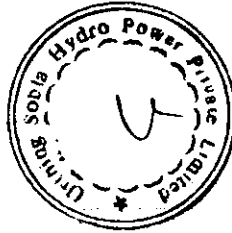


Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

Schedule 3: Fixed Assets

Rs.

Particulars	Gross Block			Depreciation			Net Block	
	As at 01-04-2008	Additions during the year	As at 31-03-2009	Upto 31-03-2008	For the year	Upto 31-03-2009	As at 31-03-2009	Upto 31-03-2008
Plant and Machinery	396,032	88,180	484,212	10,256	18,823	29,079	455,133	385,776
Furniture and Fixtures	-	15,172	15,172	-	958	958	14,214	-
Total	396,032	103,352	499,384	10,256	19,781	30,037	469,347	385,776
Previous Period	-	396,032	396,032	-	10,256	10,256	385,776	-

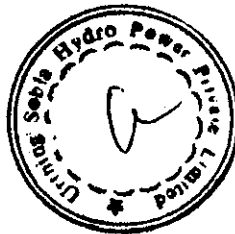


Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

Schedule-4: Capital Work-in-Progress

Rs.

	As at 01.04.2008	Incurred during the year	As at 31.03.2009
A. Expenditure pending allocation			
Bank and Corporate Guarantee Charges	7,265	2,388	9,653
Depreciation	10,256	19,781	30,037
Electricity Expenses	60,978	19,668	80,646
Printing and Stationery	216,094	176,269	392,363
Legal and Professional Charges	33,943,946	26,869,960	60,813,906
Rates and Taxes	20,748	9,270	30,018
Rent	1,680,616	756,000	2,436,616
Repairs and Maintenance - Others	459,706	55,101	514,807
Site Expenses	2,400,035	1,043,730	3,443,765
Social Welfare Expenses	-	240	240
Communication Expenses	1,195,167	124,186	1,319,353
Travelling and Conveyance	3,652,451	332,189	3,984,640
Premium Paid to Government of Uttaranchal	55,600,000	-	55,600,000
Miscellaneous Expenses	580,799	3,736	584,535
Total	99,828,061	29,412,518	129,240,579
B. Balance of Advance against Capital Contracts	-	408,709	408,709
Total (A+B)	99,828,061	29,821,227	129,649,288



Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

As at 31-03-2009 As at 31-03-2008
 Rs. Rs.

Schedule 5: Current Assets, Loans and Advances

Current Assets

Bank Balance with Scheduled Bank:
 In Current Account

1,083,666	3,736,442
<u>1,083,666</u>	<u>3,736,442</u>

Loans and Advances

Advance Recoverable in cash or kind or for value to be received
 (Unsecured, considered good, unless otherwise stated)

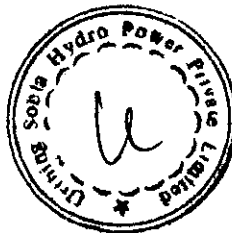
64,587	-
<u>64,587</u>	<u>-</u>

Schedule 6: Current Liabilities and Provisions

Current Liabilities

Sundry Creditors (Refer Note 5 on Schedule 7)
 Other Liabilities

14,086,579	8,156,150
2,840,309	1,075,129
<u>16,926,888</u>	<u>9,231,279</u>



Schedule 7 – Notes forming part of the 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) 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 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.

c) Depreciation / Amortisation:

Fixed assets are depreciated under the 'Straight Line Method' as per the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

d) Accounting for Taxes on Income:

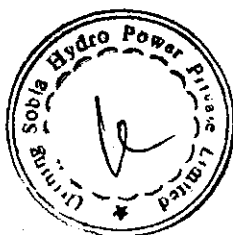
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively 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 virtual certainty that the assets will be realised in future.

e) Provisions:

Provisions are recognised when the Company has 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 of the obligation.

f) Impairment of Assets:

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.



Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

Schedule 7 – Notes forming part of the Financial Statements (Continued)

2. Capital Commitments :

Estimated amount of contracts remaining unexecuted on capital account and not provided for is Rs. 27,780,150 (Previous Period Rs. Nil)

3. Project Status:

The Company has a 400 MW Hydro Electric Project on river Dhauliganga, a tributary of Sarada River and is situated in Pithoragarh District of Uttarakhand and was awarded in April 2005 by the Government of Uttarakhand (GoU) on Build Own Operate and Transfer (BOOT) basis. A Project Development Agreement (PDA) was entered into with the Government of Uttarakhand to carry out studies and investigations for preparation of Detailed Project Report (DPR) for the project. The Basic Engineering Project has been submitted. The project is located in Askot Musk Deer Sanctuary and requires re-demarcation of sanctuary. Further activities shall be taken up after receipt of clearance from Honourable Supreme Court and Government of Uttarakhand.

4. Related Party Disclosure:

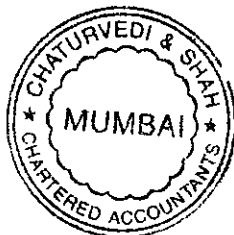
As per Accounting Standard – 18 'Related Party Disclosure' as prescribed by Companies (Accounting Standards) Rules, 2006 the Company's related party transactions are disclosed below :

A. Parties where control exists :

- Reliance Power Limited - Holding Company

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

- Reliance Infrastructure Limited (Formerly known as Reliance Energy Limited) Investing Party in Holding Company



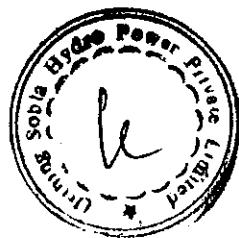
Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

Schedule 7 – Notes forming part of the Financial Statements (Continued)

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

Particulars	(Rs.)	
	April 01, 2008 to March 31, 2009	September 13, 2007 to March 31, 2008
Transactions during the year:		
<u>Inter Corporate Deposit taken</u>		
- Reliance Power Limited	20,951,000	94,649,000
<u>Conversion of Inter Corporate Deposit into Share Application Money</u>		
- Reliance Power Limited	115,600,000	-
<u>Reimbursement of Expenses</u>		
- Reliance Power Limited	213,064	-
- Reliance Infrastructure Limited	-	83,138,326
<u>Legal and Professional Charges</u>		
- Reliance Power Limited	1,581,612	-
- Reliance Infrastructure Limited	14,293,783	9,005,338
<u>Equity Contribution</u>		
- Reliance Power Limited	-	80,000
- Reliance Infrastructure Limited	-	20,000
Closing Balances:		
<u>Inter Corporate Deposit taken</u>		
- Reliance Power Limited	-	94,649,000
<u>Share Application Money</u>		
- Reliance Power Limited	115,600,000	-
<u>Equity Contribution</u>		
- Reliance Power Limited	80,000	80,000
- Reliance Infrastructure Limited	20,000	20,000
<u>Current Liabilities and Provisions</u>		
- Reliance Power Limited	373,994	-
- Reliance Infrastructure Limited	11,766,918	7,703,195

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



Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

Schedule 7 – Notes forming part of the Financial Statements (Continued)

5. Micro, Medium and Small Scale Business Entities:

There are no Micro, Medium and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2009. 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 Company.

6. Segment Reporting:

The Company operates in only one segment, namely power generation, hence there are no reportable segments under Accounting Standard - 17 'Segment Reporting' as prescribed by Companies (Accounting Standards) Rules, 2006.

7. Auditors' Remuneration:

(Rs.)

Particulars	April 01, 2008 to March 31, 2009	September 13, 2007 to March 31, 2008
Statutory Audit Fees	90,000	20,000

8. Increase in Authorised Share Capital:

Pursuant to the resolution passed by the Board of Directors in its meeting held on January 20, 2009 and approval of shareholders in an Extra Ordinary General Meeting (EGM) held on March 06, 2009, the authorised share capital of the Company has been increased from Rs. 1,000,000 (divided into 100,000 equity shares of Rs. 10 each) to Rs. 250,000,000 (divided into 25,000,000 equity shares of Rs. 10 each).

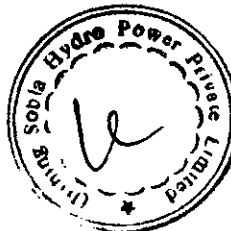
9. Pursuant to the resolution passed at the meeting held on March 30, 2009 of Board of Directors and based on the Letter of Intent dated March 28, 2009 received from Reliance Power Limited, the Holding Company, unsecured loan aggregating Rs.115,600,000 received from Reliance Power Limited, has now been converted to share application money and accordingly disclosed in the financial statements.

10. Schedule VI – Paragraph 4C of Part II

Information to the extent not disclosed, with regard to matters specified in paragraph 4A, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 is either Nil or not applicable to the Company for the year ended March 31, 2009.

11. Schedule VI – Part IV

For additional information required under Part IV of Schedule VI to the Companies Act, 1956 refer annexure attached.



Urthing Sobla Hydro Power Private Limited
Schedules annexed to and forming part of the Financial Statements

Schedule 7 – Notes forming part of the Financial Statements (Continued)

12. Prior Period Figures:

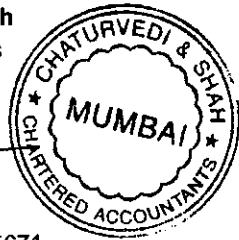
The Company was incorporated on September 13, 2007. Previous period figures pertain to period September 13, 2007 to March 31, 2008 and are not strictly comparable. Previous period figures are regrouped/ reclassified wherever necessary.

Signatures to Schedules 1 to 7 forming part of the Financial Statements.

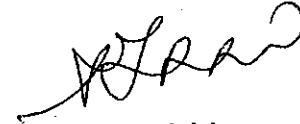
For Chaturvedi & Shah
Chartered Accountants



C. D. Lala
Partner
Membership No. : F 35671

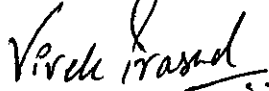


For and on behalf of the Board



Laksman Ramkrishna
Director

For Price Waterhouse
Chartered Accountants



Vivek Prasad
Partner
Membership No. : F 104941



Paresh Rathod
Director

Place : Mumbai
Date : April 21, 2009

Place : Mumbai
Date : April 21, 2009

Urthing Sobla Hydro Power Private Limited
Cash Flow Statement for the year ended March 31, 2009

	01-04- 2008 to 31-03-2009 Rs.	13-09- 2007 to 31-03-2008 Rs.
A Cash Flow from / (used in) Operating Activities		
Loss before Taxation	1,330,000	30,000
Adjustment For:		
Preliminary Expenditure	-	(30,000)
Stamp Duty and Filing Fees Paid	(1,330,000)	-
Net Cash flow from / (used in) Operating Activities	-	-
B Cash Flow from / (used in) Investing Activities		
Capital Work-in-Progress (net)	(22,105,837)	(90,586,526)
Purchase of Fixed Assets	(103,352)	(396,032)
Advance Recoverable in cash or kind or for value to be received	(64,587)	-
Net Cash flow used in Investing Activities	(22,273,776)	(90,982,558)
C Cash Flow from / (used in) Financing Activities		
Proceeds from Equity Share Capital	-	100,000
Movement in Share Application Money (Net)	20,951,000	-
Proceeds from borrowings (Unsecured)	-	94,649,000
Preliminary Expenses	-	(30,000)
Stamp Duty and Filing Fees Paid	(1,330,000)	-
Net Cash flow from Financing Activities	19,621,000	94,719,000
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(2,652,776)	3,736,442
Cash and Cash equivalents as at the commencement of the year/ period <i>(Bank balance)</i>	3,736,442	-
Cash and Cash equivalents as at the end of the year/ period <i>(Bank balance)</i>	1,083,666	3,736,442
Net Increase / (Decrease) in Cash and Cash equivalents	(2,652,776)	3,736,442

Previous period figures have been regrouped and recast wherever necessary to the current year classification.

This is the Cash Flow Statement referred to in our report of even date.

For Chaturvedi & Shah
Chartered Accountants

C. D. Lala
C. D. Lala
Partner
Membership No.: F- 35671



For Price Waterhouse
Chartered Accountants

Vivek Prasad
Vivek Prasad
Partner
Membership No.: F- 104941

For and on behalf of Board

Laksman Ramakrishna
Laksman Ramakrishna
Director

Paresh Rathod
Paresh Rathod
Director

Place: Mumbai
Date : April 21, 2009

Place: Mumbai
Date : April 21, 2009

Urthing Sobla Hydro Power Private Limited

**Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile**

1. Registration Details

Registration No. U74999UR2007PTC032472 State Code 2 0

Balance Sheet Date 3 1 0 3 2 0 0 9
Date Month Year

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

 N I L

Bonus Issue

 N I L

Rights Issue

 N I L

Private Placement

 N I L

3. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities

 1 1 5 7 0 0

Total Assets

 1 1 5 7 0 0

Sources of Funds

Paid-up capital

 1 0 0

Reserves and surplus

 N I L

Secured loans

 N I L

Unsecured loans

 N I L

Share Application Money

 1 1 5 6 0 0

Application of Funds

Net fixed assets

 4 6 9

Investments

 N I L

Net current assets

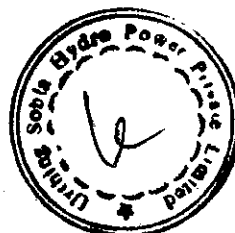
 - 1 5 7 7 9

Capital Work-in-progress

 1 2 9 6 4 9

Accumulated losses

 1 3 6 0



Urthing Sobla Hydro Power Private Limited

**Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile**

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)	Total Expenditure
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 3 3 0
+ / - Profit/(Loss) Before Tax	+ / - Profit/(Loss) After Tax
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - 1 3 3 0	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - 1 3 3 0

(Please tick Appropriate box + for profit, - for loss)

Earnings per Share (Rs)
(on profit after taxes)

- 1 3 3

Dividend Rate %

N I L

5. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code) : N. A.
Product Description : N. A.

For and on behalf of the Board


Laksman Ramkrishna
Director


Paresh Rathod
Director

Place : Mumbai
Date : April 21, 2009

Urthing Sobla Hydro Power Private Limited

Registered Office: Plot No. 56, 1st Floor, City Centre, Kochar Complex, Dehradun 248 001, Uttarakhand,

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL
Joint shareholders may obtain additional slips on request

DP id*	
Client id*	

Registered Folio No.	
----------------------	--

Name and Address of the Shareholder

No. of Shares Held

I/We hereby record my/our presence at the 2nd Annual General Meeting of the Urthing Sobla Hydro Power Private Limited held on Friday, September 25, 2009, at 10.30 a.m. at Plot No. 56, 1st Floor, City Centre, Kochar Complex, Dehradun 248 001, Uttarakhand.

SIGNATURE OF THE SHAREHOLDER OR PROXY

*Applicable for investors holding shares in electronic form

-----TEAR HERE-----

PROXY FORM

Urthing Sobla Hydro Power Private Limited

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

DP id*	
Client id*	

Registered Folio No.	
No. of Shares Held	

I/We _____ of _____ being a member/members of Urthing Sobla Hydro Power Private Limited hereby appoint _____ of _____ or failing him, _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 2nd Annual General Meeting of the Company to be held on Friday, September 25, 2009 at 10.30 a.m. at Plot No. 56, 1st Floor, City Centre, Kochar Complex, Dehradun 248 001, Uttarakhand or at any adjournment thereof.

Affix revenue stamp Re 1

Signed this _____ day of _____ 2009.

NOTE: 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 of the Meeting. The Proxy need not be a member of the Company.