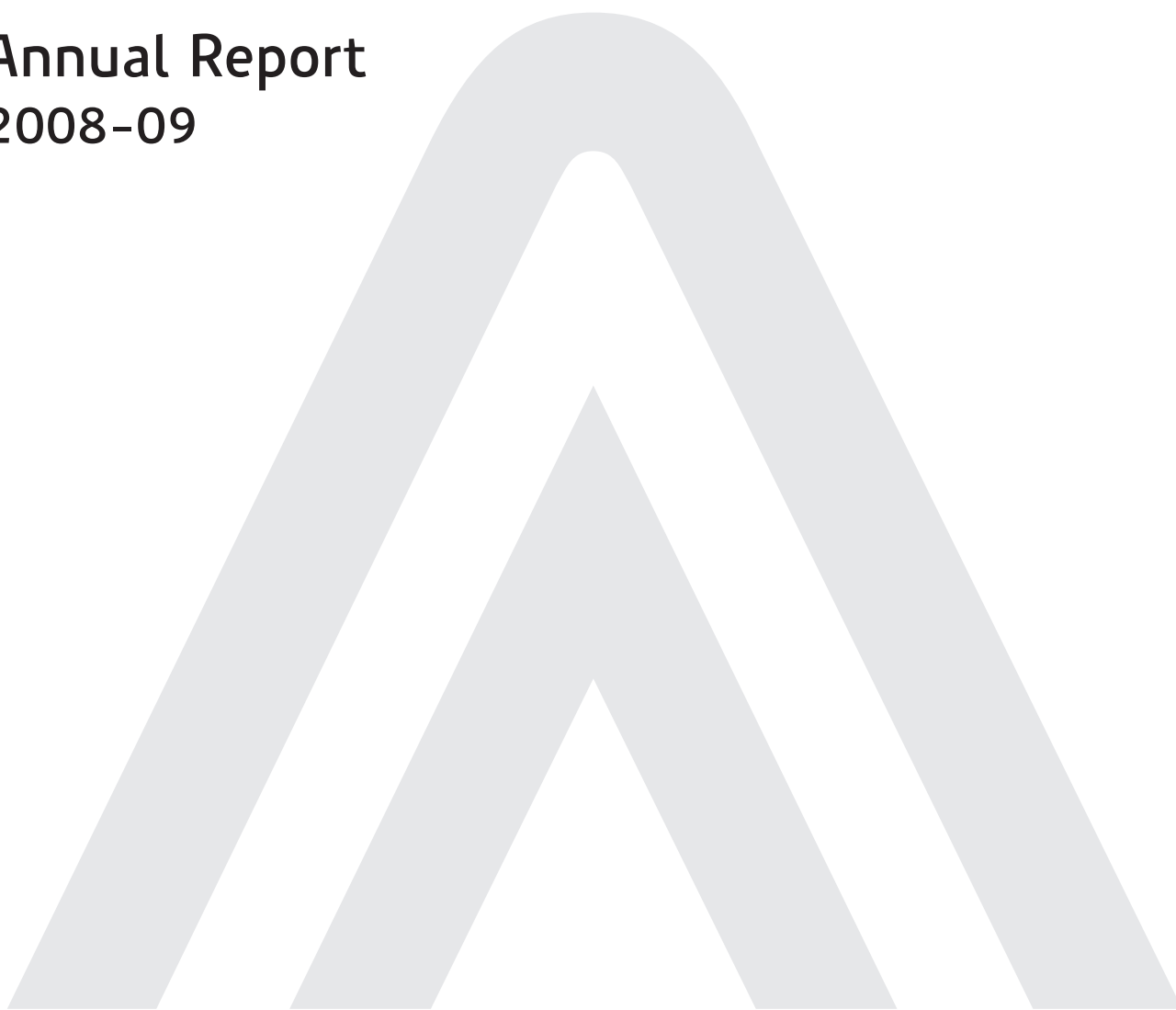
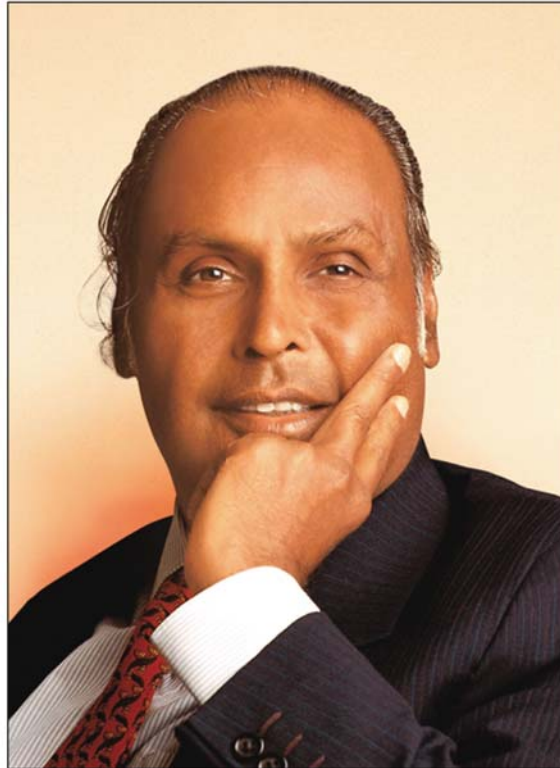


RELIANCE Power
Anil Dhirubhai Ambani Group

Annual Report
2008-09





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 33,480 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

Board of Directors

Shri Anil D Ambani	- Chairman
Shri K H Mankad	- Whole-time Director
Shri S L Rao	
Shri J L Bajaj	
Dr Yogendra Narain	
Dr V K Chaturvedi	

Chief Executive Officer

Shri J P Chalasani

Company Secretary

Shri Paresh Rathod

Auditors

Price Waterhouse
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
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081
Andhra Pradesh, India
website : www.karvy.com

Investor Helpdesk

Toll free no. (India) : 1800 4250 999
Telephone : +91 40 2342 0815-25
Fax : +91 40 2342 0859
Email : rpower@karvy.com
Website: <http://kcpl.karvy.com/adag>

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**15th Annual General Meeting on Tuesday, July 28, 2009 at 11.00 a.m.
at Birla Matushri Sabhaagar, 19 Sir Vithaldas Thackersey Marg, 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 D Ambani

My dear fellow shareowners,

It gives me great pleasure to share with you the highlights of our Company's achievements in FY 2008-09. During the year, our Company made significant progress in fulfilling its vision of becoming the largest and the fastest growing private sector power utility in the country.

We reached key milestones, including the financial closure of the Sasan Ultra Mega Power Project. We won the Tilaiya Ultra Mega Power Project in addition to hydro power projects in Arunachal Pradesh. We also made excellent progress towards the execution of Rosa Power Plant ahead of schedule.

The installation of a stable government at the Centre is a huge positive development, which is likely to usher in long pending reforms that are required to keep the economy on a high-growth trajectory.

Key Developments

Financial Closures

As you are aware, our Company has embarked upon a capacity addition programme in generation that is unparalleled in the history of the Indian Power Sector. We plan to add over 30,000 MW in the next 7-8 years. Since financing these projects will entail significant amounts of debt, achieving timely financial closures is of utmost importance.

It is therefore a matter of pride that we were able to secure the largest ever debt on non-recourse project finance basis across any industry in India for the Sasan Ultra Mega Power Project at a time when the External Debt Market had gone completely dry and the domestic lenders had turned ultra-cautious, thanks to the unfolding global credit crisis.

The Sasan closure also represents the first ever appraisal of an integrated coal mine cum power project of this scale on project finance basis in the country. We were also successful in getting our appraisals completed for the 600-MW expansion at Rosa and the 300-MW at Butibori. In addition, we obtained part sanction for the Krishnapatnam Ultra Mega Power Project. In all, we were able to get appraisals done or obtain sanctions for project with an investment outlay of more than Rs 40,000 crore (US\$ 8 billion).

Progress on Project Execution

Given our large generation portfolio, it is imperative that we focus our attention on ensuring that we implement all our projects on time and at costs which are lower than our initial estimates. Indeed, we are committed to setting new benchmarks in project costs and time schedules. The Rosa Power Plant, located in Uttar Pradesh, is currently ahead of schedule and we expect it to be operational before the end of FY 2009-10. In 2011, we expect to commission the expansion units at Rosa and the upcoming plants at Butibori.

We have also advanced, by almost three years, the schedule for the commissioning of the first Ultra Mega Power Project at Sasan. We hope to commission two units of 660 MW each at Sasan before the end of FY 2011-12.

We are well aware of the complex challenges that lie in the way of successful execution of power projects. But given our traditional strength in project management and the experience of our execution teams, we remain confident of successfully overcoming any odds.

New Projects

The power sector in India continues to offer exciting new opportunities. During the year, we won, through a competitive bidding process, the right to develop the 3,960 MW Tilaiya Ultra Mega Power Project located in the State of Jharkhand. Aside from the significant synergies that it has with other power projects that we are developing, Tilaiya also presents the added advantage of having captive coal mines allocated for it.

While coal-based power projects provide large headroom for growth, we are equally confident about the benefits and advantages that would accrue from having hydro power projects in our portfolio. We have therefore keenly participated in the bids for such projects and have recently been awarded four more hydro power projects for development in the state of Arunachal Pradesh. With this, the total hydro capacity in our portfolio has gone up to 4,620 MW, while our aggregate portfolio now stands at more than 33,000 MW.

Securing Fuel tie-ups

Fuel availability and its pricing continue to be one of the biggest challenges for power projects in India. While we have plenty of coal reserves in the country, the development of mines has not kept pace with our ambitious programme for the addition of generation capacities. We have therefore made it a conscious part of our strategy to ensure that a major portion of our coal-based generation portfolio is supported by captive mines.

The proposed Ultra Mega Power Project at Talaiya has given us the right to develop coal mines with estimated reserves of almost one billion metric tonnes. Potentially, this makes us one of the largest coal mining companies in the country, with nearly 2 billion tonnes of aggregate reserves.

Performance review

The salient points of company's financial performance are:

- Total income of Rs 334.72 crore as compared to Rs 132.87 crore in the previous year.
- Net profit of Rs 248.90 crore as compared to Rs 94.67 crore in the previous year.
- Earnings per share (EPS) of Rs 1.04 as compared to Re 0.17 in the previous year.

Corporate governance

During the year under review, a series of unfortunate disclosures brought the spotlight back on governance practices in Corporate India and jolted investors in India and across the world.

We remain committed to maintaining the highest standards of corporate governance and would continue to work in a transparent and professional manner for creating value for all stakeholders.

There is nothing we value more highly than the trust of our 3.8 million shareholders, the largest such family in the world. And we will do all we can to preserve, protect and enhance it.

Social Commitments

Our company is setting up power projects across the length and breadth of the country. These projects entail the acquisition of significant amounts of land which, in some cases, might come from people who have to be rehabilitated and resettled. We are committed to adopting Rehabilitation & Resettlement (R&R) policies which go beyond the norms set out by the Government. Our intention is to ensure that we meet the development needs of the local community wherever we are setting up our projects.

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 cutting-edge technologies, and are executed at speeds and costs which are unmatched in the industry.

The last financial year was a landmark year in our endeavour to take over the mantle of leadership among India's private sector power players. The year ahead will be, if anything, even more critical.

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



Anil D Ambani
Chairman

Notice

Notice is hereby given that the 15th Annual General Meeting (AGM) of the Members of Reliance Power Limited will be held on Tuesday, July 28, 2009 at 11.00 a.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business:

Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2009, the Profit and Loss Account for the 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 S L Rao who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri J L Bajaj who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, be and are hereby appointed as joint statutory 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 may 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) the Articles of Association of the Company be amended by inserting the following new clause 87 after the existing clause 86;

'Clause 87

The Company shall continue to hold equity stake in Sasan Power Limited and Chitrangji Power Private Limited, such that Sasan Power Limited and Chitrangji Power Private Limited remain subsidiaries of the Company during the life span of the Sasan Ultra Mega Power Project, Moher, Moher Amlohri Extension and Chhatrasal Coal Mines.'

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

By Order of the Board

Paresh Rathod
Company Secretary

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

April 23, 2009

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 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.
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 shares in electronic form are requested to write their DP Id and Client Id numbers and those who hold shares 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. Members are requested to bring their attendance slip along with their copy of the Annual Report to 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.
7. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to item no. 5 of the notice setting out the material facts is annexed hereto.

Reliance Power Limited

Notice

8. The Company's Register of Members and the Share Transfer Books will remain closed from Tuesday, July 21, 2009 to Tuesday, July 28, 2009 (both days inclusive).
9. Non-resident Indian Members are requested to inform Karvy Computershare Private Limited, immediately on the change in the residential status on return to India for permanent settlement.
10. Re-appointment of directors; At the ensuing meeting, Shri S L Rao and Shri J L Bajaj, 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.
11. Members are advised to refer to the section titled 'Investor Information' provided in the Annual Report.
12. Members are requested to fill in and send the Response form provided in this Annual Report, to aid the Company in its constant endeavour to enhance the standards of service to its investors.
13. 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 unabridged Annual Report, may write to the Registrar and Transfer Agent of the Company.

Annexure to the Notice

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

Sasan Power Limited (SPL) is a wholly owned subsidiary of the Company. SPL is currently developing a 3,960 MW coal-fired Ultra Mega Power Project (UMPP) involving supercritical technology at Sasan, in the state of Madhya Pradesh. Furthermore, Chitrangi Power Private Limited (CPPL), a wholly owned subsidiary of the Company, is also developing a 3,960 MW coal-fired power project at Chitrangi Tehsil, Sidhi District, Madhya Pradesh. The coal requirements for operation of the aforesaid projects in near future will be supplied from Moher, Moher Amlohri extension and Chhatrasal Coal mines (collectively referred to as "Mines"), which were allotted to SPL by the Ministry of Coal, Government of India. Accordingly, for offtake of coal from aforesaid mines, both SPL and CPPL will have to remain subsidiaries of the Company during the life span of the Sasan Ultra Mega Power Project and the Mines. Therefore, the Articles of Association of the Company need to be suitably amended.

The proposed amendment is being made in order to comply with the requirements imposed by the concerned authorities.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, any amendment to the Articles of Association of the Company requires approval of Members by way of a special resolution.

The board of directors, accordingly, recommends the resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the directors of the Company is, in any way, concerned or interested in the resolution.

By Order of the Board

Paresh Rathod
Company Secretary

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

April 23, 2009

Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the 15th Annual Report, together with the audited statement of accounts of the Company for the year ended March 31, 2009.

Financial Results

The performance of the Company for the financial year ended March 31, 2009 is summarised below:

Particulars	Financial Year ended March 31, 2009		Financial Year ended March 31, 2008	
	Rs in million	US \$ in million *	Rs in million	US \$ in million *
Total Income	3,347.16	65.99	1,328.67	33.12
Profit before tax	2,564.74	50.57	1,014.39	25.28
Less: Provision for taxation				
- Current tax	71.00	1.40	58.00	1.45
- Fringe benefit tax	4.60	0.09	4.00	0.10
- Wealth Tax	0.10	-	-	-
- Taxes of earlier years	-	-	5.70	0.13
Profit after tax	2,489.04	49.07	946.69	23.60
Balance of Profit brought forward from previous year	946.84	18.67	0.15	-
Balance carried to Balance Sheet	3,435.88	67.74	946.84	23.60

* Rs 50.72 = US \$ 1 Exchange rate as on March 31, 2009 (Rs 40.12 = US \$ 1 as on March 31, 2008)

Financial Performance

During the year under review, your Company recorded total income of Rs 334.72 crore, against Rs 132.87 crore in the previous year. Net Profit for the financial year ended March 31, 2009 increased to Rs 248.90 crore from Rs 94.67 crore in the previous year. Shareholders equity (networth) increased to Rs 13,792.81 crore from Rs 13,542.68 crore in the previous year.

Issue and allotment of Bonus Shares

Subsequent to the closing of the Initial Public Offering (IPO) of the Company, the global and Indian equity markets suffered an extraordinary meltdown. In line with the global trend, the Company's share price had also closed below the IPO price after listing on February 11, 2008. Equity shares, by their very nature, are risk-bearing instruments and there is no obligation on behalf of any issuer to insure investors against possible losses. However, in keeping with the Reliance ADA Group's fundamental and over-riding philosophy of creating value for genuine long term investors, the board of directors of the Company deemed appropriate as one-time measure to reduce the effective cost of acquisition of the Company's shares below the IPO price by issue of bonus shares.

Accordingly, the board had recommended issue of bonus shares to all the shareholders of the Company under public category in the ratio of three new fully paid-up equity

shares of Rs 10 each for every five existing fully paid-up equity shares of Rs 10 each held. The Promoters of the Company viz. AAA Project Ventures Private Limited (AAA) and Reliance Infrastructure Limited (RInfra), who held 45 per cent each of the equity shares of the Company waived their entitlement to receive the bonus shares.

Besides, in order to ensure that the holding of RInfra is not diluted, AAA undertook to gift 6.15 crore shares of the Company out of its holding to RInfra.

The members through Postal Ballot approved the proposal on April 21, 2008, for issue and allotment of bonus equity shares in the proportion of three new fully paid-up equity shares of Rs 10 each for every five fully paid-up equity shares of Rs 10 each held as on the Record Date.

Pursuant to approval of the members, the Company issued and allotted 13.68 crore equity shares of Rs 10 each aggregating Rs 136.80 crore as bonus shares credited as fully paid up by capitalisation of the sum standing to the credit of the Securities Premium Account to all members (other than the Promoters) of the Company, holding equity shares of Rs 10 each of the Company at the close of business hours on June 2, 2008, being the date prior to the book closure from June 3, 2008 to June 5, 2008 (both days inclusive), notified by the Board of Directors for this purpose, in the ratio of three new fully paid-up equity shares of Rs 10 each for every five fully paid up equity shares of Rs 10 each held.

Reliance Power Limited

Directors' Report

As per the undertaking given to RInfra as mentioned above, AAA, gifted 6.15 crore shares of the Company to RInfra. As a result RInfra continue to hold 44.96 per cent of the equity shares of the Company, while holding of AAA declined to 39.82 per cent of the equity shares of the Company.

The equity shares allotted through bonus issue were listed at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and started trading from June 18, 2008.

Dividend

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

Management Discussion and Analysis

The Management Discussion and Analysis of financial condition including the result of operations of the Company for the year under review, as required under clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in Annual Report.

The Company and its subsidiaries have 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

The Company, as of March 31, 2009 had 14 subsidiaries, viz. Sasan Power Limited, Rosa Power Supply Company Limited, Maharashtra Energy Generation Limited, Vidarbha Industries Power Limited, Tato Hydro Power Private Limited, Siyom Hydro Power Private Limited, Chitrangi Power Private Limited, Urthing Sobla Hydro Power Private Limited, Kalai Power Private Limited, Coastal Andhra Power Limited, Reliance Coal Resources Private Limited, Sasan Power Infrastructure Limited and Sasan Power Infraventures Private Limited. Reliance Power International Sarl, Luxemburg, became subsidiary in terms of Section 4(1)(b)(ii) of the Companies Act, 1956. Besides, Maharashtra Energy Generation Infrastructure Limited, is a wholly owned subsidiary of Maharashtra Energy Generation Limited and Coastal Andhra Power Infrastructure Limited, is a wholly owned subsidiary of Coastal Andhra Power Limited. In terms of Section 4(1)(c) of the Companies Act, 1956, these two companies are subsidiaries of the Company.

In terms of the approvals granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the balance sheet, profit and loss account and reports of the board of directors and auditors of the subsisting 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 interested in obtaining the same. As directed by the Central Government, the financial data of the subsidiaries has been furnished in the Notes on consolidated financial statements, 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 about its subsidiaries.

Fixed Deposits

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

Directors

Shri S L Rao and Shri J L Bajaj retire by rotation and are eligible for re-appointment. Brief resumes of these directors, the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships/chairmanship of committees of the board, their shareholdings, etc. as stipulated under clause 49 of the listing agreement with the stock exchanges in India are provided in the report 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 the financial year ended March 31, 2009, the applicable accounting standards have been followed and that there are no material departures from the same;
- (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 profit of the Company for the said period;
- (iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability 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 have prepared the accounts for the financial year ended March 31, 2009 on a 'going concern' basis.

The above statements were noted by the audit committee at its meeting held on April 22, 2009.

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 furnished in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Directors' Report

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-21 (AS-21) - "Consolidated Financial Statements" notified under Section 211 (3C) of the Companies Act 1956, read with Companies (Accounting Standards) Rules, 2006, as applicable.

Auditors

Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, 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 letters from Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, 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.

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 is being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The Information in accordance with the provisions of 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, regarding conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity.

Foreign Exchange Earnings and Outgo

Foreign Exchange earned : Rs Nil (previous year Rs Nil)

Foreign Exchange used : Rs 534.76 Lakh (previous year Rs 35.41 Lakh)

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. As per clause 49 of the Listing Agreement, a separate section on Corporate Governance forms part of the Annual Report.

A certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is given in the Annexure hereto.

Acknowledgments

Your Directors wish to place on record their appreciation for the continued support and co-operation of the shareholders, bankers, various regulatory and government authorities and for the valuable contributions made by the employees of the Company.

On behalf of the Board of Directors



**Anil D Ambani
Chairman**

Mumbai
April 23, 2009

Reliance Power Limited

Directors' Report

Annexure to the Directors' Report

Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s)

To the Members of Reliance Power Limited

We have examined the compliance of the conditions of Corporate Governance by Reliance Power Limited ('the Company') for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the 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 Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the 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

Chaturvedi & Shah
Chartered Accountants

Partha Ghosh
Partner
Membership No.: 55913
Date : April 23, 2009
Place : Mumbai

C D Lala
Partner
Membership No. : 35671
Date : April 23, 2009
Place : Mumbai

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 and such 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 provisions of the Companies Act, 1956 (the Act) and comply with the accounting standards notified under Section 211 (3C) of the Act read with Companies (Accounting Standards) Rules, 2006. The management of Reliance Power Limited ("Reliance Power" or "RPower" 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.

The fuels source-wise and region-wise break-up of power generation capacity in India as on March 31, 2009 was:

Region	Thermal				Nuclear	Hydro	RES	Total
	Coal	Gas	Diesel	Total				
North India	19,140	3,531	13	22,684	1,180	13,425	1,766	39,055
West India	25,918	6,983	18	32,919	1,840	7,449	4,024	46,231
South India	16,410	3,679	939	21,028	1,100	10,954	7,048	40,130
East India	15,739	190	17	15,946	0	3,934	227	20,108
North East India	170	766	143	1,079	0	1,116	171	2,366
Islands	0	0	70	70	0	0	6	76
All India	77,376	15,149	1,200	93,725	4,120	36,878	13,242	147,966

Source: Power scenerio as a glance, April 2009, Central Electricity Authority (CEA)

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

Economic Outlook

The Indian economy entered the financial year 2008-09 on a buoyant note. During the preceding three years, the country had, witnessed tremendous economic growth with Gross Domestic Product (GDP) expanding at an average of 9 per cent. However, the growth momentum was moderated because of the global economic conditions. Like all other emerging economies, India too was impacted by the credit crisis, indeed more so than was imagined earlier. The slowdown in growth was reflected in lower industrial production, negative exports, deceleration in services activities, dented corporate margins and diminished business confidence. As per the revised estimates for the FY 2008-09, the GDP for the year grew at 6.7 per cent as against 9.1 per cent in the previous year.

But it was not all gloom and doom. There were some comforting signs too. Well-functioning financial markets, robust rural demand, lower headline inflation and robust foreign exchange reserves were all pointers to the long-term strength and resilience of the Indian Economy. The timely fiscal stimulus packages announced by the Government, coupled with, swift monetary easing and regulatory action by the Reserve Bank of India, helped to arrest the slow down and keep the economy ticking.

The global situation saw some easing, thanks to an unprecedented and coordinated policy action by authorities across major economies of the world. It is hoped that we will continue to build on the recovery that is currently underway.

Indian Power Sector

During financial year 2008-09, new power generating capacity amounting to more than 4,905 MW was added taking the total installed capacity at end of financial year 2008-09 to 1,47,966 MW.

Reliance Power Limited

Management Discussion and Analysis

India has been traditionally dependent on thermal power as a source of power generation, which constitutes about 63 per cent of the current capacity. The balance is contributed by hydroelectric power (25 per cent), nuclear (3 per cent), and renewable energy (9 per cent). The western region accounts for the largest share (31 per cent) of the installed power generation capacity in India followed by the southern region with 27 per cent and the northern region with 26 per cent. The southern region remains the dominant region in renewable energy source accounting for more than 53 per cent of the total renewable energy based installed capacity.

The increase in installed power generation capacity has however not kept pace with the increase in demand for power thus leading to power shortages. The per capita consumption of electricity increased from 15 kwh in 1950 to 704 kwh in FY 2007-08, which however continues to be very low in comparison to other developed and developing countries. The gap in demand and supply has led to significant shortages as can be seen from the figures of financial year 2008-09:

Region	Energy requirement (million kwh)	Energy Deficit %	Peak demand (Mega watt; 10 ⁶ watts)	Peak Deficit %
North India	224,218	-10.8	33,034	-10.7
West India	254,486	-16.0	37,240	-19.0
South India	204,086	-7.5	28,340	-7.4
East India	82,127	-4.6	12,901	-9.4
North East India	9,407	-13.5	1,820	-25.4
All India	774,324	-11.0	109,809	-12.0

Source: Power scenario as a glance, April 2009, Central Electricity Authority (CEA)

Major opportunities

Estimates of demand and supply of power for the coming years have indicated a continued supply gap for many years to come. The government has taken various initiatives to increase public as well as private investments in the sector to enhance generation capacity and eliminate the deficit. Following the enactment of the Electricity Act, 2003, the Government has implemented a series of policy reforms to the power generation sector attractive for investors.

As a part of these reforms, the Central Government introduced the concept of Ultra Mega Power Projects (UMPPs) to bridge the demand-supply deficit. Entailing an investment of nearly Rs 16,000-18,000 crore per project, the UMPPs are being developed on supercritical technology. As operating pressure and temperature of a

supercritical boiler is significantly higher, it is much more efficient than a subcritical boiler and leads to lower fuel consumptions and CO₂ emission. Various state governments have also been pursuing their individual capacity enhancement programmes by inviting competitive bids for putting up power projects in their respective states. States have also been inviting bids from developers for supply of power from projects which may be located outside their states.

Despite all these initiatives, it is expected that demand-supply gap may continue for the next few years. This has provided an opportunity to developers to put up power projects and sell power on merchant basis without entering into long term Power Purchase Agreements (PPAs). Such short term power sale fetches higher premiums providing attractive returns to the developers of merchant-power projects.

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

Key Risks and its management

Power projects are highly capital intensive and have a long gestation period. There are different stages in the project development cycle, each one of which carries different risks. Some of the critical milestones of the development phase are:

- requisite statutory approvals
- land acquisition
- fuel, water and transmission linkages
- financial closure
- construction and commissioning

During the construction phase, ensuring that all supply and erection contracts are placed on time and within the original cost estimates is a critical challenge. Afterwards, it is equally critical that all the vendors and contractors perform their responsibilities in the assigned time frame.

During the operations phase, operating and maintaining the power plant efficiently and ensuring that operational costs and performance are maintained in line with the norms, is the major challenge.

Reliance Power has put in place a Risk Management Framework, which provides for identifying, assessing, monitoring, and reporting various risks at all levels. Under the framework, the Company has constituted a Risk Management Committee at both the corporate 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.

Management Discussion and Analysis

Discussion on Operations of the Company

The Company does not have any operational power project and has a large pipeline of power projects under various stages of implementation which will become operational within the next few years.

Status of Project Development

Reliance Power is currently developing sixteen large and medium sized power projects with a combined planned installed capacity of 33,480 MW, one of the largest portfolio 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 offtake 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 (12,220 MW), northern India (9,080 MW), eastern India (3,960 MW), northeastern India (4,220 MW) and southern India (4,000 MW). They include eight coal-based projects (18,580 MW) to be fueled by reserves from captive mines and supplies from India and abroad, two gas-based 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. The Company intends to sell the power generated by these projects under a combination of long-term and short-term Power Purchase Agreements (PPAs) to state-owned and private distribution companies and industrial consumers.

All the projects are in various stages of development. During the year, significant progress has been made in the projects.

1. *Rosa Stage 1, a 600 MW coal-based Power Project in Uttar Pradesh*

Rosa Power Supply Company Limited (RPSCL), a wholly owned subsidiary of Reliance Power, is developing a 1,200 MW coal-based power project at Rosa village in Shahjahanpur, Uttar Pradesh in two stages of 600 MW each.

Rosa Stage 1 will be a 2x300 MW coal-based power project and will employ subcritical Pulverized Coal Combustion (PCC) technology. The project has been identified as an 11th plan project by the Ministry of Power (MoP) and is scheduled to be fully commissioned in the current financial year (2009-10). Construction of various systems / sub-systems is ahead of schedule and is currently in the advanced stage of its construction phase.

The first project of the Company, which is about to enter the commissioning phase, is enjoying support from the Government, with Rosa Stage 1 designated as a 'priority project'. The sale of power to be generated from the plant is also secured with a Power Purchase

Agreement (PPA) for the entire power generated by Rosa Stage 1 with Uttar Pradesh Power Company Limited (UPPCL) on a cost plus tariff basis based on Tariff Guidelines set by State Power Regulatory Body.

The project is ahead of schedule with most of the major infrastructure-related work either completed or on the verge of completion. Erection of structural steel platform for all nine levels and roof sheeting has been completed for Unit 1 and 2 while Turbine Generator (TG) deck casting is completed for Unit 2. Drum lifting of Boiler Unit 1 and Unit 2 has also been completed. Unit 1 boiler hydro test, a major milestone, was completed within six months from the date of drum lifting, which is a record of its sort.

2. *Rosa Stage 2, a 600 MW coal-based Power Project in Uttar Pradesh*

Rosa Stage 2 will be a 2x300 MW coal-based power project. The Stage II is also scheduled to commence power generation (be "on-stream") within the 11th plan (i.e. by March 2012). Stage 2 got a head-start with the land acquired and water allocated for Rosa Stage 1 being sufficient to accommodate Rosa Stage 2 as well. The Rosa Stage 2 expansion project, which got approval from the Government of Uttar Pradesh, received key clearances and approvals from Airports Authority of India and Defence for chimney height.

Like Stage 1, even the Stage 2 secured offtake of its power with confirmation from Uttar Pradesh Government to buy 300 MW and a PPA has been signed with Reliance Energy Trading Limited (RETL) for sale of the balance 300 MW. Fuel supply has also been secured with the Government of India awarding long-term coal linkage for the expansion. Most of the sanctions for debt from banks and institutions are in place with IDBI Bank acting as the lead lender.

3. *Butibori, a 300 MW coal-based Power Project in Maharashtra*

Vidarbha Industries Power Limited (VIPL), a subsidiary of Reliance Power, is currently developing a 300 MW coal-based power project with subcritical technology to be located at Butibori, Maharashtra Industrial Development Corporation (MIDC) area in Nagpur, Maharashtra. The construction of the Project, which is expected to be completed in the 11th Plan, was inaugurated by the Hon'ble Chief Minister of Maharashtra, Shri Ashok Chavan in February 2009.

The construction activities at the project site commenced with the project having physical possession of 91 hectares of land. The Engineering, Procurement and Construction (EPC) contract was awarded to Reliance Infrastructure Limited and the Boiler Turbine Generator (BTG) contract was awarded to Shanghai Electric Company, China. The project obtained all

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necessary major clearances and has appointed Axis Bank Limited as the lead arranger for debt funding. Sanctions have already been received from Axis Bank (the lead lender) and other banks and financial institutions to fund the project.

The plant, which is situated in the midst of industrial area, will primarily cater to industries thus ensuring perpetual demand for the power generated from the plant. It has already signed Power Supply Agreement (PSA) for major part of the capacity, while discussions with other industrial consumers are in progress.

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

Sasan Power Limited (SPL), a wholly owned subsidiary of Reliance Power, is developing a 3,960 MW coal-based UMPP at Sasan, Madhya Pradesh. Being a pithead coal based project, the project is free from fuel supply concerns. The plant has been allocated three captive coal blocks, Moher, Moher-Amlohri Extension, and Chhatrasal to meet its fuel requirements. The project is expected to set a new benchmark in terms of commissioning period after the commissioning schedule was advanced by three years. The first Unit of the project shall be commissioned in December 2011 and the entire project would be commissioned by March 2013, more than three years ahead of schedule with respect to the original Power Purchase Agreement.

With necessary clearances including clearances from Ministry of Environment and Forests (MoEF), mine plan and environmental clearance obtained for Moher and for Moher-Amlohri extension, the project is well on its course to meet the advanced commissioning schedule.

Construction activities have begun at site and considerable progress has been made with regard to preliminary construction activities including site levelling, boundary wall, office building, batching plant, erection of poles and switchyard for construction power supply, etc. The construction of Resettlement and Rehabilitation (R&R) colony has been completed. EPC contract has been awarded to a consortium of Reliance Infrastructure Limited and Reliance Infra Projects (UK) Limited.

On the financial front, the project has achieved a major milestone with the execution of the financing agreements with a consortium of 13 Banks and Financial Institutions. 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 the backdrop of financial and economic turmoil in all global economies.

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

Coastal Andhra Power Limited (CAPL), a wholly owned subsidiary of the Company is currently developing a 4,000 MW coal-based UMPP to be located near Krishnapatnam, Andhra Pradesh. The Krishnapatnam project, which was awarded to Reliance Power following an international competitive bidding process, is located approximately 3 kms 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.

Construction activities at the site have commenced with the Company already in possession of nearly 90 per cent of the land. The Company has taken up the exercise of construction of Resettlement and Rehabilitation (R&R) dwelling units and other site enabling works. All key clearances and approvals required for the project are in place. All the required site studies have been completed.

Good progress has been achieved in construction activities which include site leveling, boundary wall, levelling site office, stores, switchyard for construction power etc.

The Company is now focusing on early financial closure. IDBI Bank Limited and Power Finance Corporation Limited (PFC) have been appointed as the co-lead arrangers for the project and have also sanctioned Rupee Loans. Reserve Bank of India has already accorded approval for External Commercial Borrowings to the tune of US\$ 2 billion.

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

Chitrangi Power Private Limited (previously MP Power Generation Private Limited), a wholly owned subsidiary of the Company, is set to develop a 3,960 MW coal-based power project at Chitrangi Tehsil, Singrauli District, Madhya Pradesh.

In September 2007, the Company entered into a Memorandum of Understanding (MoU) with the Government of Madhya Pradesh (GoMP) under which the Company agreed to establish coal-based power project, subject to completion of feasibility studies and approval of the board.

With land already identified for the project, the Company had filed application for government and private land. The project has also obtained in principle water allocation from GoMP. Regarding source of fuel,

Management Discussion and Analysis

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

Reliance Power has already secured a bid to supply 1,241 MW power to Madhya Pradesh Power Trading Company Limited (MPPTCL) at a levelized tariff of Rs 2.45 a unit from the Project. The Company is also pursuing other opportunities to tie up for offtake of balance capacity.

7. *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), a wholly owned subsidiary of the Company, is currently developing a combined 1,200 MW coal-based and a 2,800 MW gas-based power project at Shahapur, Dist. Raigad in Maharashtra.

The project has received all major clearances and approvals including environmental clearance from the Ministry of Environment and Forest (MoEF), of 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. Meanwhile, MEGL's Resettlement & Rehabilitation (R&R) proposal has been reviewed by the Maharashtra State Rehabilitation Committee and granted in-principle approval.

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, to be developed in phases, will be the world's largest gas based power generation plant at a single location. The Company has already obtained possession of 850 hectares of land required for the project and acquisition and transfer of around 160 hectares is underway. 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.

9. *Urthing Sobla, a 400 MW hydroelectric Project in Uttarakhand*

Urthing Sobla Hydro Power Private Limited (USHPPL), an 80 per cent subsidiary of Reliance Power, is setting up a 400 MW (4x100 MW) run-of-the-river hydroelectric power project on the 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.

10. *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 had been prepared by NHPC in 2003 and is being reviewed/updated by Halcrow, UK. The Project has got statutory environmental clearance from Ministry of Environment & Forest and Defence clearance and is currently moving forward at brisk pace.

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

Tato Hydro Power Private Limited (THPPL), a wholly owned subsidiary of Reliance Power, is currently developing 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 on similar lines like Siyom. The Detailed project report has been prepared by SNC Lavalin, Canada and the same has since been submitted to CEA for according Techno Economic Clearance (TEC).

Preliminary work including surveys, design of project layout for DPR and construction methodology are either completed or well on their course of completion.

12. *Tilaiya Ultra Mega Power Project, a 3,960 MW pithead coal-based Power Project in Jharkhand*

Reliance Power emerged as the successful bidder for the fourth UMPP through the International Competitive Bidding (ICB) route at a levelized tariff of Rs 1.77 a unit. Having received the letter of Intent (LOI), which was issued to Reliance Power on February 12, 2009, the Special Purpose Vehicle Company viz. Jharkhand Integrated Power Limited, will be transferred to Reliance Power after completing the requisite obligation of the Procurer as per the bid process.

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 that includes:

1. 1,200 MW Kalai-II hydroelectric Project on the river Lohit in Anjaw District,
2. 420 MW Amulin hydroelectric project on the river Mathun in Dibang Valley District,
3. 500 MW Emini hydroelectric project on the river Mathun in Dibang Valley District, and
4. 400 MW Mithundon hydroelectric project on the river Mathun in Dibang Valley District

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 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.

Other Opportunities

Clean Development Mechanism (CDM)

Clean Development Mechanism, which is one of the three mechanisms under Kyoto Protocol to reduce Greenhouse Gases (GHG) from the environment, provides immense opportunity for project developers in developing countries to carry out CDM based projects to earn carbon credits, which are known as Certified Emission Reductions (CERs) units. These CERs are sold for a price to the buyers in Annexure 1 countries (mostly developed countries) that have to either reduce their GHG emissions or buy equivalent carbon credits in the global emission trading market to meet their compliance.

The Company is in the process of applying for registration with Clean Development Mechanism (CDM) – Executive Board for its various power projects including Sasan and Krishnapatnam Ultra Mega Power Projects (UMPPs). Sasan and Krishnapatnam UMPPs shall be qualified under CDM to earn carbon credits as the projects will employ super-critical technology, which helps in GHG reduction. Besides, the environment-friendly hydroelectric power projects under implementation, our gas based generation projects will also become eligible under CDM scheme because of the lesser GHG emissions.

The Company has already begun work towards registering the UMPPs with CDM-Executive board. Consultants and

Validators for these two projects were appointed and CDM activities are progressing as per schedule.

Global stakeholder consultation of Sasan UMPP has already concluded and the host country approval letter from the National CDM Authority in the Ministry of Environment and Forests (MoEF), Government of India was obtained on February 6, 2009. Sasan UMPP is currently under validation and the process is expected to conclude shortly.

Similarly, Project Design Document (PDD) has already been submitted, for obtaining the host country approval letter for Krishnapatnam UMPP. The validator has been appointed for the Krishnapatnam UMPP. Other CDM related formalities would commence shortly.

Thus, sales proceeds by selling carbon credits in the global emission market shall act as a new revenue stream for the Company.

Internal control systems

The Company has put in place internal control systems and processes commensurate with 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 Accounting 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 before the audit committee meetings.

Human Resources

The Company has been building up its human resources for executing the implementation of its large power capacity addition programme. We are now a family of over 375 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 Program under which graduate engineers are recruited and trained for working in Power Plants. The Company is planning to have simulators at various project locations where operational training services can be provided.

Management Discussion and Analysis

Discussion on Financial Condition and Financial Performance

Financial Condition

Reliance Power is a holding company of 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	Shahpur
Siyom Hydro Power Private Limited	Siyom HEPP
Urthing Sobla Hydro Power Private Limited	Urthing Sobla HEPP
Tato Hydro Power Private Limited	Tato II HEPP

GCPP - Group Captive Power Project
 UMPP - Ultra Mega Power Project
 HEPP - Hydroelectric Power Project

An extract of the Consolidated Balance Sheet is placed below:

	(Rs Crore)	
	As on March 31 2009	2008
<i>Source of Funds</i>		
Net Worth	13,779.15	13,533.41
Loan Funds	1,332.49	448.27
Total	15,111.64	13,981.68
<i>Application of Funds</i>		
Fixed Assets (including Capital Work-in-Progress)	4,965.89	1,030.96
Investments	10,317.24	13,123.39
Net Current Assets	-171.48	-172.67
Total	15,111.64	13,981.68

Share capital has increased to Rs 2,396.80 crore, since 13.68 crore bonus shares of face value Rs 10 each were issued and allotted on June 11, 2008.

Loan Funds have increased to Rs 1,332 crore from Rs 448 crores.

Fixed assets have increased to Rs 4,966 crore mainly representing the increase in the Capital Work-in-progress to Rs 4,678 crore from Rs 818 crore.

Investments were at Rs 10,317 crore in FY 2008-09 as compared to Rs 13,123 crore in FY 2007-08.

Financial Performance

The Company presently does not have any operational cash flows as all its projects are presently under various stages of implementation. The Company made an Initial Public Offering (IPO) in January 2008 through which it raised Rs 11,562 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:

	(Rs Crore)	
	Year ended 31.03.2009	Year ended 31.03.2008
Income		
Dividend	284.86	112.79
Profit on redemption of Mutual Funds	60.93	20.04
Miscellaneous Income	14.59	0.06
Total	360.38	132.89
Expenditure		
Employee Cost*	24.64	3.23
Administration & Other Expenses	78.50	37.51
Depreciation	0.22	-
Total	103.36	40.74
Profit before Taxes	257.02	92.15
Taxes	12.51	6.77
Profit after Taxes	244.51	85.38
Earnings per share (Rs)	1.02	0.15

* Includes managerial remuneration

- Dividend income has increased by 152 per cent in FY 2008-09 compared to FY 2007-08 mainly on account of interest income from IPO proceeds invested in liquid investments
- Profit from investment in Mutual Funds has increased by 204 per cent in FY 2008-09 compared to FY 2007-08
- Expenditure has increased by 154 per cent in FY 2008-09 compared to FY 2007-08 because of significant increase in employee strength. The Company is building its human resources team for executing the capacity addition plan and has increased its strength from about 100 employees to more than 375 employees in the last financial year.

Reliance Power Limited has maintained the highest standards of Corporate Governance policies, principles and best practices by adopting the "Reliance Anil Dhirubhai Ambani Group-Corporate Governance Policies and Code of Conduct", as followed by all constituents in the group. These policies and code prescribe a set of systems, processes and principles conforming to the international standards which are reviewed periodically to ensure their continued relevance, effectiveness and responsiveness to the needs of local and global investors and all other stakeholders.

Our governance philosophy

The Company's philosophy on Corporate Governance is driven by its desire towards attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, from shareholders and employees to government, lenders and the wider community. The Company believes that all its operations and actions must serve the underlying goals of enhancing overall enterprise value and safeguarding the shareholders' trust.

In our commitment to practise 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 of customers, shareholders, employees, lenders, vendors, governments and the community.

Governance practices beyond regulatory requirements

Our governance practices seek to go beyond statutory and regulatory requirements. Our endeavour is to follow the spirit of good governance rather than the mere letter of the conditions specified by regulatory authorities. With this objective, we have formulated, *inter alia*, the following policy documents and introduced best practices of governance:

1. 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 of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

2. Code of ethics

Our policy document on 'Code of Ethics', in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage.

3. Business policies

Our 'Business Policies' cover a comprehensive range of governance 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.

4. 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.

5. 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.

6. Prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a work environment that protects the individual against sexual misdemeanor of any kind whatsoever.

7. 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 action.

8. Environment policy

The Company is committed to achieving excellence in environmental performance, and preservation and promotion of environment are of fundamental concern in all our business activities.

9. Risk management

Our risk management procedures ensure that the management controls risks through means of a properly defined frame work.

10. Boardroom practices

a. 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.

Corporate Governance Report

b. Board Charter

The Board of Directors has adopted a comprehensive Board Charter. The Charter has set out matters relating to Board composition, scope and functions of the Board and its committees, etc.

c. Tenure of independent director

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

d. Lead independent director

Recognizing the need to have a representative and spokesman 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 finalised the information flow, agendas for the meetings 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.

For the financial year 2009-10, the board has designated Dr Yogendra Narain as the lead independent director. The position of the lead independent director is rotational on a yearly basis or as decided by the board.

e. Monitoring Subsidiaries

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

f. Commitment of directors

The dates of Board meetings for the entire financial year are scheduled at 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 well in advance and facilitates attendance of all directors at the meetings of the board and its committees.

g. 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.

h. Compliance

The Company Secretary monitors the compliance of applicable laws, regulations and rules including the Companies Act, 1956, and the listing agreement with stock exchanges, including in-house legal audit and places confirmation of such compliance before the board at the end of every calendar quarter.

i. Evaluation of the Board

The Board, through peer evaluation, carries out evaluation of the Board including Board process, risk management systems, performance of the Board committees based on inputs received from individual directors.

Compliance with clause 49 of the listing agreement

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

We present our report on compliance of governance conditions specified in clause 49.

1. Board of Directors

A. Board Composition

I. Board strength and representation

The current strength of the Board of Directors of the Company is six. Except Shri K H Mankad, all other directors, including the Chairman, are non-executive directors. Of the non-executive Directors, Shri Anil D Ambani, the promoter and Dr V K Chaturvedi are non-independent, while the other three Directors are independent.

The composition of and the category of directors on the Board of the Company as on March 31, 2009, 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.

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.

II Conduct of Board proceedings

The day to day business is conducted by the executives of Reliance Power under the direction of Whole-time director and the supervision of the Board. The Board holds periodic 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 the oversight of 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 customers, suppliers and other stakeholders;
- delegation of appropriate authority to the senior executives of the Company for effective management of operations.

B. Board Meetings

The Board held five meetings during FY 2008-09 on April 28, 2008, July 25, 2008, September 23, 2008, October 22, 2008 and January 22, 2009. The maximum time gap between any two meetings was 91 days and the minimum gap was 28 days.

- The board holds periodic 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 periodically reviews compliance reports of all laws applicable to the Company and takes appropriate action.
- Standards issued by ICSI : The Company is in substantial compliance with the Secretarial Standards governing board meetings as also general meetings as set out in Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India (ICSI). The Board of Directors of the Company has taken necessary steps in order to ensure compliance with these standards.

Amendment to SEBI (Prohibition of Insider Trading) Regulation, 1992

The Board of the Company during the year adopted the revised Reliance Power Limited (Prohibition of Insider Trading) Code modified in terms of amendments notified by the Securities and Exchange Board of India (SEBI) under the SEBI (Prohibition of Insider Trading) Regulations, 1992, on November 19, 2008.

C. Attendance of Directors and other Directorship

The overall attendance of directors at the Board Meetings and the AGM was 100 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 at Board Meetings held during 2008-09 and at the last AGM, number of directorships, memberships/ chairmanships in public companies during 2008-09:

Name of Directors	Number of Board Meeting attended out of five meetings held	Attendance at the Last AGM held on 23-09-08	Directorship in companies, Chairmanship / Membership in Board Committees (including RPower)		
			Directorship ¹	Committee Member ²	Committee Chairman
Shri Anil D Ambani	5	Present	10	4	None
Shri S L Rao	5	Present	6	7	4
Shri J L Bajaj	5	Present	5	5	2
Dr Yogendra Narain	5	Present	1	1	None
Dr V K Chaturvedi	5	Present	1	2	None
Shri K H Mankad	5	Present	4	None	None

Corporate Governance Report

Notes:

1. Number of directorships exclude directorships in foreign Company, alternate directorships, Companies registered under Section 25 of the Companies Act and Private Companies.
2. Committee includes Shareholders / Investors' Grievances Committee and Audit Committee as required under clause 49 of the Listing Agreement. Membership of committees includes Chairmanship also.
3. None of the Director held directorships in more than 15 public limited companies.
4. None of the Director has membership of more than 10 committees of Boards and Chairmanship of more than 5 committees of the Boards.

D. Details of Directors

The abbreviated resumes of all directors are furnished hereunder:

Shri Anil D Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil D Ambani, 50, is the Chairman of all listed companies of the Reliance ADA Group, namely, Reliance Communications, Reliance Capital, Reliance Infrastructure, Reliance Natural Resources and Reliance Power.

He is also 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 ADA group have raised nearly US\$ 7 billion from global financial markets in a period of less than 3 years.

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, aged 73 years, is currently Chairman, Board of Governors of the Institute for Social and Economic Change, Bangalore; Distinguished Visiting Fellow at The Energy and Resources Institute (TERI); a widely read newspaper columnist, writer and speaker on management, consumer markets, the economy and energy issues. He is an economist by training and a professional manager with 28 years of experience in large companies including in top management positions in marketing and general management and a further 4 years in management consultancy. 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 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 also 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 Audit Committee of Honeywell Automation India Limited, member of Audit Committee of Reliance Infrastructure Limited, Chairman of Audit Committee and Member of Shareholders/Investors Grievances Committee of the Company and Reliance Natural Resources Limited and Chairman of the Audit Committee of Rain CII Carbon (India) Limited. He is Columnist: Telegraph, Deccan Herald, Life Trustee of the Madras Craft Foundation, Trustee of the Aga Khan Foundation India Committee, Trustee, CIRC-CUTS Institute of Regulation and Competition, Jaipur, Trustee, Bangalore International Centre, Chairman, Academic Advisory Council, IMI, Delhi. Member of the Board of the Institute for Learning and Management, Delhi, Member on the General and Energy Committees of Bangalore Chamber of Commerce and Industry, and holds memberships in various advisory boards/committees. 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. Shri S L Rao does not hold any shares in the Company as of March 31, 2009

Shri J L Bajaj, aged 70 years, 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 Adviser (Industry) Planning Commission, Additional Secretary in the Department of Economic Affairs, and Joint Secretary, Plan Finance, Ministry of Finance. He was also Chairman Administrative Reforms and Decentralization Commission, Agriculture Production Commissioner, Secretary Planning and Secretary Finance in the Government of Uttar Pradesh. He has conducted studies for national and international 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, Uttarakhand Power Corporation Limited, Uttarakhand Jal Vidyut Nigam 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, member of Audit committee and chairman of Shareholders/Investors' Grievances Committee of the Company. Shri J L Bajaj holds 27 shares in the Company as of March 31, 2009.

Dr Yogendra Narain, aged 66 years, 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 Yogendra Narain does not hold any shares in the Company as of March 31, 2009.

Dr V K Chaturvedi, aged 66 years, 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. He does not hold any shares in the Company as of March 31, 2009.

Shri K H Mankad, aged 66 years, 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 K H Mankad does not hold any shares in the Company as of March 31, 2009.

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E. Chief Executive Officer

Shri J P Chalasani, aged 51 years, is an engineering graduate and has about 27 years wide experience in responsible positions with National Thermal Power Corporation Limited and Reliance Infrastructure Limited. He was a Whole-time Director of Reliance Infrastructure Limited from January 18, 2003 to January 17, 2008. He is also on the Boards of Hirma Power Limited, Jayamkondam Power Limited and Coastal Andhra Power Limited.

F. Insurance Coverage

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

2. Audit Committee

The audit committee consists of Shri S L Rao, Shri J L Bajaj, Dr Yogendra Narain and Dr V K Chaturvedi. The Audit Committee is chaired by Shri S L Rao who has a wide experience on economic and financial issues. All members of the Committee are financially literate within the meaning of Clause II (A) Explanation 1 of Clause 49 of the Listing Agreement.

The audit committee advises the management on the areas where 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 Approve 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;
 - b. any changes in accounting policies and practices;
 - 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. 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, statutory 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 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xv 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 / internal auditors;
 - d. Statement of significant related party transactions; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

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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 27, 2008, July 25, 2008, October 22, 2008 and January 21, 2009 and the maximum gap between any two meetings was 91 days.

Attendance at the meetings of the Audit Committee

Members	Meetings held during the tenure of directors	Meetings attended
Shri S L Rao, Chairman	4	4
Shri J L Bajaj	4	4
Dr Yogendra Narain	4	4
Dr V K Chaturvedi	4	4

Overall attendance: 100 per cent

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

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 committee.

3. Nomination / Remuneration Committee

The Nomination / Remuneration Committee of the Board is constituted to formulate and recommend to the Board from time to time, a compensation structure for whole-time directors and Manager. It is proposed to introduce a stock option scheme for the directors of the Company in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 at an appropriate time. The scheme would set the maximum number of stock options that can be granted to non-executive directors. The Nomination/Remuneration Committee comprises Dr V K Chaturvedi, Shri S L Rao and Shri J L Bajaj. Dr V K Chaturvedi is the Chairman of the Committee.

Attendance at the meetings of the Nomination / Remuneration Committee held during 2008-09

Members	Meetings held during the tenure of directors	Meetings attended
Dr V K Chaturvedi, Chairman	1	1
Shri S L Rao	1	1
Shri J L Bajaj	1	1

Overall attendance: 100 per cent

The Nomination / Remuneration Committee held its meeting on April 27, 2008. Shri Paresh Rathod, Company Secretary, acts as the secretary to the 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 2008-09

Name	Position	Sitting Fee	Salary & Perquisite	Total	Rs in lakh
Shri Anil D Ambani	Chairman	1.00	Nil	1.00	
Shri S L Rao	Director	2.80	Nil	2.80	
Shri J L Bajaj	Director	2.80	Nil	2.80	
Dr Yogendra Narain	Director	1.80	Nil	1.80	
Dr V K Chaturvedi	Director	3.00	Nil	3.00	
Shri K H Mankad	Whole-time Director	Nil	38.66	38.66	
Total		11.40	38.66	50.06	

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.

Corporate Governance Report

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.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

Equity Shares held by Directors

The shares held by the Non-Executive Directors in the Company as on 31st March, 2009 are as under:

Name	No. of Shares
Shri Anil D Ambani	*1,000
Shri J L Bajaj	27

* Shares held jointly with AAA Project Ventures Private Limited

No director other than the above mentioned directors of the Company hold any equity shares of the Company.

Directors' remuneration policy

The Nomination/Remuneration Committee determines and recommends to the Board, the compensation of the directors. 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.

Criteria for making payments to Non-Executive Directors

The Directors are paid sitting fees for attending the meetings.

4. Shareholders/ Investors' Grievance Committee

The Board of Directors of the Company constituted Shareholders/Investors' Grievances Committee on September 30, 2007, 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 deals with matters relating to transfer/transmission of shares, issue of duplicate share certificates, review of shares dematerialised, and all other related matters. The Committee also monitors redressal of investors' grievances. Particulars of investors' grievances received and redressed are furnished in the Investor Information Section of this report.

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

Shri Paresb Rathod, Company Secretary is the Compliance Officer and Secretary to the Committee.

Attendance of members at the meeting of the Shareholders / Investors' Grievances Committee held during 2008-09:

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

The Shareholders / Investors' Grievances Committee held its meetings on April 27, 2008, July 25, 2008, October 22, 2008 and January 21, 2009 and the maximum gap between any two meetings was 91 days.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review are furnished in the Investor Information section of this Annual Report.

As of March 31, 2009, there were 97 complaints outstanding, all of which have been attended/resolved as of date. None of the complaints during the year remained pending for more than 30 days.

5. General Body Meetings

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

Year	Date and Time	Venue	Special Resolution(s) Passed
2007-08	September 23, 2008 11.00 a.m.	Birla Matushri Sabhagar 19 Sir Vithaldas Thackersey Marg Mumbai 400 020	None
2006-07	June 2, 2007 3.00 p.m.	3rd Floor, Reliance Energy Centre Santa Cruz (East) Mumbai 400 055	None
2005-06	September 28, 2006 10.30 a.m.	3rd Floor, Reliance Energy Centre Santa Cruz (East) Mumbai 400 055	None

The Board recommends a special resolution relating to alteration of Articles of Association of the Company for approval of the members at the ensuing 15th AGM.

6. Postal Ballot

During the year, Special resolutions as proposed in Postal Ballot Notice dated March 10, 2008, were passed on April 21, 2008 through postal ballot which related to (i) Alteration of Article 82 of the Articles of Association and (ii) Issue of bonus shares. Shri Anil Lohia, Chartered Accountant, was appointed as the scrutinizer for overseeing the Postal Ballot process. The above resolutions have been passed with the requisite majority as per the following details.

Postal Ballot results:

Sr. No.	Particulars of resolutions	% of votes cast in favour of resolution
1.	Special resolution for alteration of Article 82 of the Articles of Association	99.99%
2.	Special resolution for issue of bonus shares	99.99%

The Company has complied with the procedures for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and amendments thereto made from time to time.

7. Means of communication

i. Information like quarterly financial results and media releases on significant developments in the Company as also presentations that have been made from time to time to the media, institutional investors and analysts are hosted on the Company's web site and has also been submitted to the stock exchanges on which the Company's equity shares are listed, to enable them to put them on their own web sites. The quarterly financial results are published in Financial Express and Navshakti.

ii. Corporate Filing and Dissemination System

As per the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges, all the data relating to quarterly financial results, shareholding pattern, etc. are being electronically filed on Corporate Filing and Dissemination System (CFDS). Shareholders / Investors can view the information by visiting the website of CFDS (www.corpfiling.co.in).

8. Compliance with other mandatory requirements

8.1 Management Discussion and Analysis report

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

8.2 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 Board of Directors of the Company and the attention of the directors is drawn to significant transactions and arrangements entered into by the subsidiary companies.

8.3 Disclosures

8.3.1 No penalty or stricture has been imposed on the Company by the stock exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

8.3.2 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.

8.3.3 Disclosure of Accounting Treatment

The financial statements are prepared on accrual basis of accounting and in accordance with Indian GAAP, 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.

8.3.4 Disclosures on Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimisation procedures which is periodically reviewed by the Board.

8.3.5 Issue of bonus shares

The Company had during the year issued and allotted 13.68 crore equity shares of Rs 10 each aggregating Rs 136.80 crore as Bonus shares credited as fully paid-up by capitalization of a part of the sum standing to the credit of the Securities Premium Account of the Company, to all Members (excluding the Promoters) of the Company in the ratio of three new fully paid-up equity shares of Rs 10 each for every five fully paid up equity shares of Rs 10 each held.

8.3.6 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

Corporate Governance Report

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 affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2008-09."

Paresh Rathod
Manager

8.3.7 CEO/CFO Certification

A certificate from Manager and Chief Financial Officer on the financial statements of the Company was placed before the Board.

8.3.8 Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2009 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

9. Compliance with Non-mandatory requirements

9.1 Tenure of Independent Directors on the Board

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

9.2 Nomination/Remuneration Committee

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

9.3 Shareholder rights

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

9.4 Audit Qualifications

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

9.5 Training of Board Members

For orientation and to get familiar with the Company's business operations, governance procedures and practices, the Directors visit the power stations and the project sites of the Company.

Besides, detailed presentations are periodically made to the Board members on the business model of the Company, risk profile of the business parameters and their responsibilities as Directors.

9.6 Whistle Blower Policy

The Company has formulated a policy to prohibit managerial personnel from taking adverse personnel action against employees 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.

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.

10. Means of communication

i. Information like quarterly financial results and media releases on significant developments in the Company as also presentations that have been made from time to time to the media, institutional investors and analysts are hosted on the Company's web site and has also been submitted to the stock exchanges on which the Company's equity shares are listed, to enable them to put them on their own web sites. The quarterly financial results are published in Financial Express and Navshakti.

ii. Corporate Filing and Dissemination System (CFDS)

As per the requirements of Clause 51 and 52 of the Listing Agreement with the Stock Exchanges, all the data relating to quarterly financial results, shareholding pattern etc. are being electronically filed on www.corpfilings.co.in in addition to the filing the same with the Stock Exchanges within the time frame prescribed in this regard. However, the Company has also filed the above data through electronic data information filing and retrieval (EDIFAR) web site of SEBI (www.sebidifnar.nic.in).

11. General Shareholder Information

The mandatory as also various additional information of interest to investors is 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 as an annexure to the Directors' Report.

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Power and as best suited to the needs of our business and stakeholders and ensure that our standards are at par with the globally recognized practices of governance, so as to meet the expectations of all our stakeholders.

Reliance Power Limited

Investor Information

Annual General Meeting (AGM)

Day and date : Tuesday, July 28, 2009
Time : 11.00 a.m.
Venue : Birla Matushri Sabhagar
19 Vithaldas Thackersey Marg
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.

Key Financial Reporting Dates for the Year 2009-10

Unaudited Results for the	: On or before
First Quarter ended	July 31, 2009
June 30, 2009	
Unaudited Results for the	: On or before
Second Quarter / half year	October 31, 2009
ended September 30, 2009	
Unaudited Results for the	: On or before
Third Quarter ended	January 31, 2010
December 31, 2009	
Audited Results for the	: On or before June 30,
Financial Year 2009-10	2010

Date of Book Closure: Tuesday, July 21, 2009 to Tuesday, July 28, 2009 (both days inclusive)

Registrar and Transfer Agents (RTA)

Karvy Computershare Private Limited
Unit: Reliance Power Limited
Plot No 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081
Tel : +91 40 2342 0815-0825
Fax : +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.

Website

The website of the Company www.reliancepower.co.in contains a sub-menu on *Investor Relations*. It carries comprehensive information to our investors including on the financial results of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities of the Company and the services rendered / facilities extended by the Company to our investors.

Dedicated e-mail for Investor Grievance

For the convenience of our investors, the Company has designated an exclusive e-mail id i.e. reliancepower.investors@relianceada.com. All investors are requested to avail this facility.

Compliance Officer

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

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.

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 : +91 22 2659 8235 / 8236
Fax : +91 22 6641 8124 - 26
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 : +91 22 2272 1233 / 34
Fax : +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 2009-10 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 2009-10 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Investor Information

(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

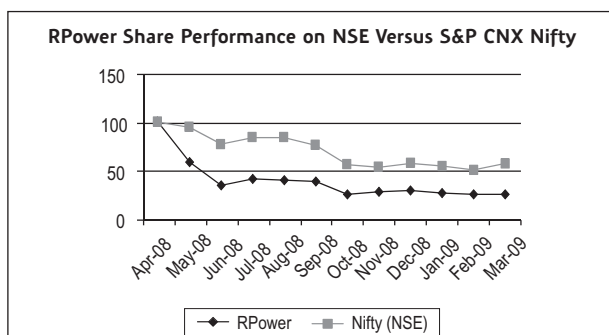
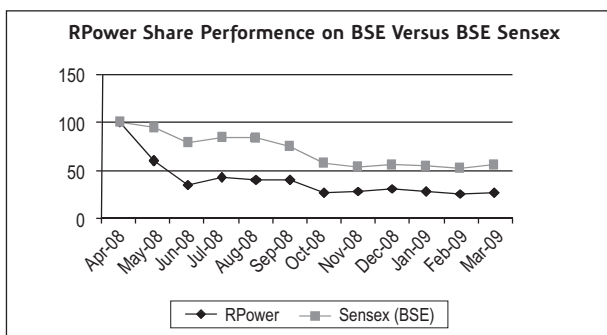
Monthly high and low quotations as also the volume of shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

2008 - 09	Bombay Stock Exchange			National Stock Exchange		
	High Rs	Low Rs	Volume No. of shares	High Rs	Low Rs	Volume No. of shares
April '08	414.70	312.10	4,72,35,726	414.80	311.50	8,12,47,536
May '08	448.00	231.70	6,70,48,157	455.00	231.00	11,89,56,485
June '08	239.40	135.20	6,81,87,583	238.90	135.20	12,25,61,978
July '08	189.70	116.30	13,98,80,267	189.70	116.15	24,08,61,603
August '08	176.50	152.75	5,34,87,823	176.60	152.00	9,96,48,375
September '08	179.00	141.00	6,89,59,770	178.20	141.00	13,60,15,929
October '08	159.00	82.00	4,06,88,965	157.00	81.00	8,43,55,675
November '08	129.80	95.50	3,96,55,089	130.00	95.45	7,83,88,085
December '08	128.90	101.15	4,66,94,506	128.75	101.55	8,79,00,653
January '09	128.00	96.05	3,77,80,180	127.95	95.50	7,53,29,807
February '09	109.00	95.20	1,96,55,936	109.00	95.00	4,41,06,193
March '09	112.65	89.45	2,99,15,320	112.90	89.35	7,44,78,546

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 and S&P CNX Defty.

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



Share Transfer System

Physical Share transfers are registered and returned generally within a period of seven days from the date of receipt, if the documents are correct and valid in all respects. Shareholders / Investors are requested to send share transfer related documents directly to our Registrar and Transfer Agents whose address is given at the beginning of this section. A committee of executives of the Company is authorised to approve transfer of shares.

As required under Clause 47(c) of the Listing Agreements entered into by the Company with the Stock Exchanges, a certificate is obtained every six months from a practicing Company Secretary with regard to *inter alia*, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within one month of their lodgment. The certificate is also forwarded to BSE and NSE, where the equity shares are listed. The same is also placed before the Shareholders Committee and the Board.

Reliance Power Limited

Investor Information

Shareholding Pattern

Category	As on 31.03.2009		As on 31.03.2008	
	No. of shares	%	No. of shares	%
A Holdings of the Promoter Group				
Shri Anil D Ambani jointly with AAA Project Ventures Private Limited	1,000	0.00	1,000	0.00
Reliance Infrastructure Limited*	1,077,500,000	44.96	1,016,000,000	44.96
AAA Project Ventures Private Limited	954,498,000	39.82	1,015,998,000	44.96
Reliance Innoventures Private Limited jointly with AAA Project Ventures Private Limited	1,000	0.00	1,000	0.00
Sub-total	2,032,000,000	84.78	2,032,000,000	89.92
B Non-promoters holdings				
1. Institutional investors				
a. Mutual Funds and Unit Trust of India	6,590,934	0.27	4,425,055	0.20
b. Banks, Financial Institutions, Insurance Companies, Governments	32,142,471	1.34	14,612,522	0.64
c. Foreign Institutional Investors	91,497,354	3.82	83,325,831	3.68
Sub-total	130,230,759	5.43	102,363,408	4.52
2. Others				
a. Private Corporate Bodies	49,857,276	2.08	22,974,106	1.02
b. Indian Public/Others	181,781,987	7.59	101,695,164	4.50
c. Non Resident Indians/Overseas Corporate Bodies	2,929,978	0.12	967,322	0.04
Sub-total	234,569,241	9.79	125,636,592	5.56
Grand total	2,396,800,000	100.00	2,260,000,000	100.00

* Includes six equity shares of Rs 10 each jointly held by Reliance Infrastructure Limited along with six individuals.

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.

- | | |
|---|---|
| 1. Shri Anil Dhirubhai Ambani | 17. AAA Business Machines Private Limited |
| 2. Smt Tina A. Ambani | 18. AAA Infrastructure Finance Management Private Limited |
| 3. Smt Kokila D Ambani | 19. AAA Corporation Private Limited |
| 4. Master Jai Anmol Ambani | 20. AAA Facilities Solutions Private Limited |
| 5. Master Jai Anshul Ambani | 21. AAA Cap Advisory Services Private Limited |
| 6. AAA Enterprises Private Limited | 22. AAA Finance Management Private Limited |
| 7. AAA Communication Private Limited | 23. AAA Project Finance Management Private Limited |
| 8. AAA Project Ventures Private Limited | 24. AAA Resources Private Limited |
| 9. AAA Power Systems (Global) Private Limited | 25. AAA Advisory Services Private Limited |
| 10. AAA Pivotal Enterprises Private Limited | 26. AAA Home Entertainment Services Private Limited |
| 11. AAA Infrastructure Consulting and Engineers Private Limited | 27. AAA Infra Advising Services Private Limited |
| 12. AAA Entertainment Private Limited | 28. AAA Advertisement Private Limited |
| 13. AAA Industries Private Limited | 29. AAA Infrastructure Investments Private Limited |
| 14. AAA Global Ventures Private Limited | 30. AAA Enterprises and Ventures Private Limited |
| 15. AAA & Sons Enterprises Private Limited | 31. AAA Telecom Holdings Private Limited |
| 16. AAA International Capital Private Limited | 32. AAA Digital Imaging Private Limited |

Investor Information

- | | |
|---|--|
| 33. AAA Infrastructure Solutions Private Limited | 66. Reliance Communications Limited |
| 34. ADA Enterprises and Ventures Private Limited | 67. Reliance Infrastructure Limited |
| 35. ADA Enterprises and Ventures Private Limited | 68. Reliance Capital Limited |
| 36. ADAE Global Private Limited | 69. Reliance Natural Resources Limited |
| 37. Ambani Industries Private Limited | 70. Reliance Infratel Limited |
| 38. Ambani International Private Limited | 71. Reliance Communications Infrastructure Limited |
| 39. Adlabs Films Limited | 72. Reliance Telecom Limited |
| 40. Big Flicks Private Limited | 73. Reliance Power Transmission Limited |
| 41. Big Animation (India) Private Limited | 74. Reliance Energy Generation Limited |
| 42. BSES Kerala Power Limited | 75. Reliance Goa and Samalkot Power Limited |
| 43. Emerald Telecom Services Private Limited | 76. Reliance Energy Limited |
| 44. Fidelity Shares and Securities Private Limited | 77. Reliance Infraventures Limited |
| 45. Gaylord Investments and Trading Private Limited | 78. Reliance Property Developers Limited |
| 46. Guruvas Textiles Private Limited | 79. Reliance Net Limited |
| 47. Hansdhvani Trading Company Private Limited | 80. Reliance Futura Limited |
| 48. Ikosel Investments Limited | 81. Reliance Prima Limited |
| 49. Jump Games Private Limited | 82. Reliance Entertainment Ventures Private Limited |
| 50. K D Ambani Trust | 83. Reliance Land Private Limited |
| 51. Kokilaben Dhirubhai Ambani Enterprises Private Limited | 84. Shreenathji Krupa Project Management Private Limited |
| 52. Millsfield Enterprises Limited | 85. Shreenathji Krupa Endeavour Management Private Limited |
| 53. ND's Art World Private Limited | 86. Serbus Asia Private Limited |
| 54. Quadro Mercantile Private Limited | 87. Sonata Investments Limited |
| 55. Reliance General Insurance Company Limited | 88. Solaris Information Technologies Private Limited |
| 56. Reliance Innoventures Private Limited | 89. Sevenstar Corporate Services Private Limited |
| 57. Reliance Limited | 90. Tareson Company Limited |
| 58. Reliance India Private Limited | 91. Telecom Infrastructure Finance Private Limited |
| 59. Reliance Enterprises and Ventures Private Limited | 92. Trans-Pacific Advisory Services Private Limited |
| 60. Reliance Anil Dhirubhai Ambani Group (UK) Private Limited | 93. Whitehills Corporate Services Private Limited. |
| 61. Reliance Anil Dhirubhai Ambani Investments (UK) Limited | 94. Zapak Digital Entertainment Limited |
| 62. Reliance Big Entertainment Private Limited | |
| 63. Reliance Big Broadcasting Private Limited | |
| 64. Reliance Big News Private Limited | |
| 65. Reliance Big Private 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.

Top 10 Shareholders as on March 31, 2009

Sr. No.	Names of shareholder(s)	No. of Shares	% to total Shareholding
1.	Reliance Infrastructure Limited*	1,077,500,000	44.96
2.	AAA Project Ventures Private Limited	954,498,000	39.82
3.	Natixis	23,580,194	0.98
4.	Julius Baer Multiflex - Emerald Securities Fund	17,585,900	0.73
5.	Lotus Global Investments Limited	15,920,886	0.66
6.	Mavi Investment Fund Limited	13,861,905	0.58
7.	Life Insurance Corporation Of India	13,056,340	0.54
8.	Reliance Capital Asset Management Limited-A/Cpms	7,200,000	0.30
9.	Bajaj Allianz Life Insurance Company Limited	6,586,705	0.27
10.	Standard Chartered Bank	4,848,004	0.20

* Includes six equity shares of Rs 10 each jointly held by Reliance Infrastructure Limited along with the six individuals.

Reliance Power Limited

Investor Information

Distribution of Shareholding

Number of shares	Number of Shareholders as on 31.03.2009		Total shares as on 31.03.2009		Number of Shareholders as on 31.03.2008		Total shares as on 31.03.2008	
	Holders	%	Shares	%	Holders	%	Shares	%
1 – 500	3,816,986	99.36	147,716,460	6.16	4,031,599	99.77	86,856,896	3.84
501 – 5,000	23,340	0.61	25,964,882	1.08	8,215	0.20	9,869,826	0.44
5,001 – 1,00,000	1,222	0.03	21,272,863	0.89	932	0.02	16,017,651	0.71
1,00,001 and above	174	0.00	2,201,845,795	91.87	140	0.01	2,147,255,627	95.01
Total	3,841,722	100.00	2,396,800,000	100.00	4,040,886	100.00	2,260,000,000	100.00

Investors' grievances attended

Received from	Received during April to March		Redressed during April to March		Pending as on	
	2008-09	2007-08*	2008-09	2007-08*	31.3.2009	31.3.2008
Particulars						
Securities and Exchange Board of India	17,175	5,859	17,132	5,859	43	0
Stock Exchanges	587	614	587	614	0	0
NSDL/CDSL	3	0	3	0	0	0
Other (ROC)	32	0	32	0	0	0
Direct from investors	46,325	31,728	46,956	31,043	54	685
Total	64,122	38,201	64,710	37,516	97	685

* For the period from February 11, 2008 to March 31, 2008

Analysis of Grievances

Particulars	Numbers		%	
	2008-09	2007-08*	2008-09	2007-08*
Non receipt of Refund Orders/ Credit of shares	34,279	26,493	53.46	69.35
Non receipt of Refund Orders	18,755	7,817	29.25	20.46
Non Credit of Shares/ Others	11,072	3,891	17.27	10.19
Non Credit of bonus Shares/ Others	6	0	0.01	0.00
Non receipt of fractional warrants	10	0	0.01	0.00
Total	64,122	38,201	100.00	100.00

* For the period from February 11, 2008 to March 31, 2008

- Note:** 1. 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.
2. The above grievances relate to the IPO of the Company, which elicited more than 5 million applications. The number of 1.02 lakh grievances received during the last two years corresponds to 2.04% of the application received for the IPO.

Investor Information

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 in 2008, the Company received response from shareholders, results of which are summarised hereunder:

Satisfaction level of services in following areas received	% of total responses received				
	Excellent	Good	Needs improvement	Invalid	Total
1 Response to queries/complaints	74.01	15.82	10.17	0.00	100.00
2 Your overall rating of our investor service	66.67	27.12	5.65	0.56	100.00
3 Presentation of information on Company website	67.80	26.55	4.52	1.13	100.00
4 Quality and contents of Annual Report 2007-08	67.23	27.12	5.08	0.56	100.00

Dematerialisation of Shares and Liquidity

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, 2009

Electronic holdings			Physical holdings			Total		
No. of beneficial Owners	No. of Shares	%	No. of Folios	No. of Shares	%	No. of Shareholders	No. of Shares	%
3841586	2396776414	100.00	136	23586	0.00	3841722	2396800000	100.00

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

Equity History

Details of issue of Equity Shares

Dates	Particulars of issue / forfeiture	No. of shares (in '000)	Total 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)	2000,000	2000,000	2,000.00
01.02.2008	Allotment of shares pursuant to Initial Public Offering (IPO)	260,000	2260,000	2,260.00
11.06.2008	Issue of Bonus shares	136,800	2396,800	2,396.80

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 400 001. Telephone: +91 22 2272 3333 Fax: +91 22 2272 3199/2072, website: www.cdslindia.com, e-mail: investors@cdslindia.com.

Communication to members

The quarterly financial results of the Company are normally announced within a month 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

Investor Information

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.

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, as amended from time to time. 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 Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider or by any other Company, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods.

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.

Power Plants

The Company is in the process of setting up power generation plants at various locations as described in detail in the Management Discussion and Analysis Report.

Address for Correspondence

Queries relating to financial statements of the Company may be addressed to :

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

Correspondence on investor services may be addressed to the compliance officer :

Shri Paresh Rathod
Company Secretary
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

Investor Service Centres of Karvy Computershare Private Limited

Sr.	City/Centre	STD Code	Phone - Office	Fax	E-mail Id
1	Agra	0562	2526660 to 63,3247202		ksblagra@karvy.com
2	Ahmedabad	079	26420422, 26400527, 28, 26407543,26402967		ahmedabad@karvy.com
3	Aligarh	0571	2509106 to 08,9319012414,		aligarh@karvy.com, ksblaligarh@karvy.com, rakesh.gupta@karvy.com
4	Allahabad	0532	2260291,92,93	2561073	ksblallahabad@karvy.com, allahabad@karvy.com, allahabadmfd@karvy.com
5	Anantapur	08554	249601, 249607, 249608		ksblanantapur@karvy.com
6	Ankaleshwar	02646	227348, 227349,324765		ksblankleshwar@karvy.com, karvyankl@karvy.com
7	Aurangabad	0240	2363530, 09665066553		ksblabad@karvy.com
8	Bangalore	080	26621192, 26621193	41 312645	ircbangalore@karvy.com,ksblbgd@karvy.com
9	Bareilly	0581	24676809, 3207699, 2574238, 3207639	2476797	kslbareilly@karvy.com
10	Belgaum	0831	2402544, 2402722, 2402882, 2402880	2402933	ksblbelgaum@karvy.com, rajeshpatki@karvy.com
11	Bellary	08392	254531, 254532, 254533	254750	ksblbellary@karvy.com, bellary@karvy.com, esrinivasan@karvy.com
12	Bharuch	02642	225207, 225208, 225209		ksblbharuch@karvy.com,bharuchfpd@karvy.com, paresh.pistulwala@karvy.com
13	Bhavnagar	0278	2567005, 2567006		bhavnagar@karvy.com
14	Bhimavaram	08816	231766, 67, 9177596888		ksblbvaram@karvy.com, venkatasrinivas.d@karvy.com
15	Bhopal	0755	4092704, 712, 714	4092710	ksblbhopal@karvy.com,sohail.jameel@karvy.com
16	Bhubneshwar	0674	2547531 to 3, 531532,2360334, 335, 343	2546915	ksblbbsr@karvy.com
17	Calicut	0495	2760882, 2760884,2742141	2369522	ksblcalicut@karvy.com
18	Chandigarh	0172	5071725 to 727,5079702, 5035059		chandigarh@karvy.com
19	Chennai	044	28151793, 94,	28153181	chennaiirc@karvy.com
20	Narasaraopet	08647	257501 to 503		ksblchpet@karvy.com
21	Coimbatore	0422	2237501 to 506,4377211	2237507	ksblcoimbatore@karvy.com
22	Cuttack	0671	2335175, 3110827, 2332680 / 81		ksblcuttack@karvy.com
23	Dehradun	0135	2713351, 2714046,2714046, 2713372, 2714382,2712373		ksbldehradun@karvy.com, ksldehradun@karvy.com, dehradun@karvy.com
24	Dindigul	0451	2436177,2436147,2435027,	2436077	dindigul@karvy.com
25	Durgapur	0343	2586375 to 77		ksblldurgapur@karvy.com
26	Eluru	08812	227851, 52,53, 54	227854	ksbleluru@karvy.com,prabhakar.m@karvy.com
27	Erode	0424	2225601,2225603, 225615 to 17	2216160	erode@karvy.com
28	Ghaziabad	0120	2701886, 2701891,4112134		ksblghaziabad@karvy.com,manojladh@karvy.com
29	Gobichettipalayam	04285	226275, 226276		gobi@karvy.com
30	Gorakhpur	0551	2346519, 2333825, 2205457 to 59		ksblgorakhpur@karvy.com, gorakhpur@karvy.com, abhinav@karvy.com
31	Guntur	0863	2326685,to,87		ksblguntur@karvy.com
32	Haldia	03224	276755 to 57		ksblhaldia@karvy.com
33	Hubli	0836	2353961, 2353962		hubli@karvy.com
34	Hyderabad	040	23420815-828	23420859	irchyd@karvy.com,ircmadhapur@karvy.com
35	Indore	0731	4081500-20	4081510	indore@karvy.com
36	Jaipur	0141	2375039, 2375099	2378703	jaipur@karvy.com,ksbljaipur@karvy.com
37	Jamnagar	0288	2556520, 2556420		jamnagar@karvy.com.
38	Jamshedpur	0657	2487020, 2487045, 2487048		ksbljamshedpur@karvy.com
39	Junagadh	0285	2624154		junağadh@karvy.com

Reliance Power Limited

Investor Service Centres of Karvy Computershare Private Limited

Sr.	City/Centre	STD Code	Phone - Office	Fax	E-mail Id
40	Kakinada	0884	2387382, 2387383, 2378118		ksblkakinada@karvy.com, tinkakinada@karvy.com
41	Kanpur	0512	2330127		irckanpur@karvy.com
42	Karaikudi	04565	237192, 237193		karaikudi@karvy.com
43	Karur	04324	241892, 893,894	241891	karur@karvy.com
44	Kochi	0484	2322152, 2316406		cochinfpd@karvy.com
45	Kolkata	033	24644891, 24647231	24644866	ksblcalcutta@karvy.com
46	Lucknow	0522	4092000	2236826	rislucknow@karvy.com
47	Madurai	0452	2600851,852, 853, 854	2350856	mfsmadurai@karvy.com, tinmadurai.com
48	Mangalore	0824	2496289	2494262	mangalore@karvy.com
49	Mattancherry	0484	2211229, 2211225		ksblmattancherry@karvy.com
50	Mumbai(Andheri)	022	26730799, 2673084, 26730292, 26730311, 26730153, 26730867	26730152	mumbaiandheri@karvy.com
51	Mumbai (Fort)	022	22838500, 66382666, 66381746-750	22040171	mumbaifort@karvy.com shailesh@karvy.com
52	Mysore	0821	2524292, 2524293-94	2438006	mysore@karvy.com
53	Nadiad	0268	2563210, 2563245,248		nadiad@karvy.com
54	Nasik		9665066532 to 35		nasikdp@karvy.com
55	Nellore	0861	2349935, 2349936, 23499367	2349939	ksblnellore@karvy.com
56	New Delhi	011	43681700	43681710	ircdelhi@karvy.com
57	Palghat	0491	2547143, 2547373		palghat@karvy.com
58	Panjim	0832	2426870,71, 72,74	2426873	fpdpanajim@karvy.com, ksblpanajim@karvy.com
59	Patna	0612	2321354,55, 56, 57		ksblpatna@karvy.com
60	Pondicherry	0413	2220633,2220644, 2220640,	2220659	pondicherry@karvy.com
61	Proddatur	08564	250823, 250824		ksblproddatur@karvy.com
62	Pune	020	25532078/25539547	25533742	rispune@karvy.com
63	Rajahmundry	0883	2434468, 2434469, 2434470	2434471	ksblrjm@karvy.com
64	Rajkot	0281	2465625/27		rajkotris@karvy.com,rajkot@karvy.com
65	Ranchi	0651	2330386, 2330394	2331320	ranchi@karvy.com,ksblranchi@karvy.com
66	Renukoot	05446	254201, 254101		renukoot@karvy.com,ksblrenukoot@karvy.com
67	Rourkela	0661	2510770, 2510771, 2510772		rourkela@karvy.com
68	Salem	0427	2221051-54	2221055	salem@karvy.com
69	Shimoga	08182	228795, 228796, 228797, 227485	226747	shimoga@karvy.com, ksblshimoga@karvy.com
70	Surat	0261	3017158		suratril@karvy.com
71	Thanjavur	04362	279407, 279408, 279409		tanjore@karvy.com
72	Theni	04546	261285		theni@karvy.com
73	Tirupathi	0877	2252426		ksbltirupati@karvy.com
74	Tirupur	0421	2214221, 2214319, 4326221		tirupur1@karvy.com
75	Trichur	0487	2322483, 484, 493, 494		ksblthrissur@karvy.com
76	Trichy	0431	2791000, 2794123		trichy@karvy.com
77	Thiruvananthapuram	0471	2725989, 2725990, 2725991	4011924	ksbltvm@karvy.com
78	Tumkur	0816	2261891, 2261892, 2261893		ksbltumkur@karvy.com
79	Udupi	0820	2530962, 2530963	2530964	ksbludupi@karvy.com
80	Vadodara	0265	2225389, 6640870		ksblbaroda@karvy.com, barodaril@karvy.com
81	Vallabh	02692	248980, 248873		vvnaagar@karvy.com
82	Varanasi	0542	2225365, 3204893		varanasimfd@karvy.com, ksblvaranasi@karvy.com
83	Vijayawada	0866	2495200, 400, 500, 600,700,800	2495300	vijayawada@karvy.com
84	Vishakhapatnam	0891	2509301/2513362	2752872	ksblvizag@karvy.com
85	Vishakapatnam	0891	2511685, 2511686,2511681		ksblgajuwaka@karvy.com

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, 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 the 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 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 **Price Waterhouse**
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913
Date : April 23, 2009
Place: Mumbai

For **Chaturvedi & Shah**
Chartered Accountants

C D Lala
Partner
Membership No. 35671
Date : April 23, 2009
Place: Mumbai

Reliance Power Limited

Annexure referred to in paragraph 3 of Auditors' Report of even date to the members of Reliance Power Limited on the financial statements for the year ended March 31, 2009

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets. 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.

(b) During the year, a substantial part of fixed assets have not been disposed off by the Company.
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, 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 Section 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the Company's present internal audit system is 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 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, undisputed statutory dues in respect of Provident Fund, Employees' State Insurance dues, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other material statutory dues have generally been regularly deposited, by the Company during the year 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, as at March 31, 2009, 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 neither accumulated losses as at March 31, 2009, nor has it incurred any cash losses either during 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 explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.
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. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

Annexure referred to in paragraph 3 of Auditors' Report of even date to the members of Reliance Power Limited on the financial statements for the year ended March 31, 2009

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 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 7 of Schedule 10) and the same has been verified by us.
20. During the course of examination of the books of account 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 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 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 **Price Waterhouse**
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913
Date : April 23, 2009
Place: Mumbai

For **Chaturvedi & Shah**
Chartered Accountants

C D Lala
Partner
Membership No. 35671
Date : April 23, 2009
Place: Mumbai

Reliance Power Limited

Balance Sheet as at March 31, 2009

	Schedule	As at March 31, 2009		As at March 31, 2008	
		Rupees	Rupees	Rupees	Rupees
Sources of Funds					
Shareholders' Funds					
Share Capital	1	23,968,000,000		22,599,532,472	
Reserves and Surplus	2	113,960,102,220		112,827,221,238	
			<u>137,928,102,220</u>		<u>135,426,753,710</u>
			<u>137,928,102,220</u>		<u>135,426,753,710</u>
Application of Funds					
Fixed Assets			3		
Gross Block		781,803,646		674,056,773	
Less: Depreciation		15,779,200		10,580,757	
Net Block		<u>766,024,446</u>		<u>663,476,016</u>	
Capital Work-In-Progress	4	558,400,773		611,414,206	
			<u>1,324,425,219</u>		<u>1,274,890,222</u>
Investments	5		<u>62,827,119,801</u>		<u>84,897,468,311</u>
Current Assets, Loans and Advances	6				
Cash and Bank Balances		144,222,976		3,611,618,139	
Other Current Assets		541,540		536,608	
Loans and Advances		<u>74,075,259,840</u>		<u>49,888,765,425</u>	
			<u>74,220,024,356</u>		<u>53,500,920,172</u>
Less: Current Liabilities and Provisions	7				
Current Liabilities		430,460,675		4,238,643,421	
Provisions		13,006,481		7,881,574	
		<u>443,467,156</u>		<u>4,246,524,995</u>	
Net Current Assets			<u>73,776,557,200</u>		<u>49,254,395,177</u>
			<u>137,928,102,220</u>		<u>135,426,753,710</u>
Notes forming part of the Financial Statements	10				

As per our attached Report of even date

For Price Waterhouse

Chartered Accountants

For Chaturvedi & Shah

Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

C D Lala

Partner

Membership No. 35671

For and on behalf of the Board

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao

J L Bajaj

Dr V K Chaturvedi

J P Chalasani

Paresh Rathod

Directors

Chief Executive Officer

Company Secretary

Date : April 23, 2009

Place: Mumbai

Date : April 23, 2009

Place: Mumbai

Profit and Loss Account for the year ended March 31, 2009

	Schedule	Year ended March 31, 2009	Year ended March 31, 2008
		Rupees	Rupees
Income			
Dividend Income		2,737,789,993	1,127,921,781
Profit on redemption of Mutual Fund		609,053,669	200,377,249
Miscellaneous Income		316,383	375,136
		<u>3,347,160,045</u>	<u>1,328,674,166</u>
Expenditure			
Employee Cost	8	207,599,929	31,941,231
Administration and Other Expenses	9	572,794,489	282,343,853
Depreciation		2,028,257	-
		<u>782,422,675</u>	<u>314,285,084</u>
Profit before Taxation		2,564,737,370	1,014,389,082
Provision for Taxation			
Current Tax		71,000,000	58,000,000
Fringe Benefit Tax		4,600,000	4,000,000
Wealth Tax		100,000	-
Taxes of Earlier Years		-	5,700,000
		<u>-</u>	<u>5,700,000</u>
Profit after Taxation		2,489,037,370	946,689,082
Balance of profit brought forward from previous year		946,848,128	159,046
Balance carried to Balance Sheet		<u>3,435,885,498</u>	<u>946,848,128</u>
Earnings Per Share (Basic and Diluted) (Refer Note 12 of Schedule 10)		1.04	0.17
(Face value of Rs 10 per share)			
Notes forming part of the Financial Statements	10		

As per our attached Report of even date

For Price Waterhouse **For Chaturvedi & Shah**
Chartered Accountants Chartered Accountants

Partha Ghosh **C D Lala**
Partner Partner
Membership No. 55913 Membership No. 35671

Date : April 23, 2009
Place: Mumbai

For and on behalf of the Board

Anil D Ambani Chairman
K H Mankad Whole-time Director
S L Rao
J L Bajaj } Directors
Dr V K Chaturvedi
J P Chalasani Chief Executive Officer
Paresh Rathod Company Secretary

Date : April 23, 2009
Place: Mumbai

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

	As at March 31, 2009 Rupees	As at March 31, 2008 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
	<u>160,000,000,000</u>	<u>160,000,000,000</u>
Issued and Subscribed		
2,396,800,000 (Previous Year: 2,000,000,000) Equity shares of Rs 10 each fully paid up*	23,968,000,000	20,000,000,000
260,000,000 Equity shares of Rs 10 each	–	2,600,000,000
Less: Calls in arrears on 62,337 equity shares	–	467,528
*(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) (Refer Note 8 of Schedule 10)		
	<u>23,968,000,000</u>	<u>22,599,532,472</u>
Schedule 2 – Reserves and Surplus		
Securities Premium Account		
Balance as per last Balance sheet	111,834,316,481	–
Add: Towards public issue of equity shares	–	113,032,000,000
Add: Calls paid	9,372,820	–
Add: Liability towards share issue expenses no longer required written back	2,470,792	–
Less: Calls unpaid	–	9,372,820
Less: Utilised towards share issue expenses	–	1,188,310,699
Less: Capitalised as bonus equity shares (Refer Note 8 of Schedule 10)	1,368,000,000	–
	<u>110,478,160,093</u>	<u>111,834,316,481</u>
General Reserve		
Balance as per last Balance Sheet	46,056,629	–
Add: Transfer on amalgamation	–	46,056,629
	<u>46,056,629</u>	<u>46,056,629</u>
Profit and Loss Account		
	3,435,885,498	946,848,128
	<u>113,960,102,220</u>	<u>112,827,221,238</u>

Schedules annexed to and forming part of the Financial Statements

Schedule 3 – Fixed Assets

Rupees

Particulars	Gross Block (at cost)				Depreciation			Net Block	
	As at April 1, 2008	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2009	Upto April 1, 2008	For the year	Deductions/ Adjustments during the year	As at March 31, 2009	As at March 31, 2008
Freehold Land	659,095,913	-	-	659,095,913	-	-	-	659,095,913	659,095,913
Plant and Machinery	2,672,299	3,853,670	-	6,525,969	172,253	576,370	-	5,777,346	2,500,046
Buildings	9,907,824	82,477,022	-	92,384,846	9,769,503	2,766,772	-	79,848,571	138,321
Furniture, Fixtures and Office Equipment	662,200	2,182,087	-	2,844,287	257,854	449,637	-	2,136,796	404,346
Computers	822,317	9,642,764	-	10,465,081	380,216	1,011,340	-	9,073,525	442,101
Motor Vehicles	896,220	9,591,330	-	10,487,550	931	394,324	-	10,092,295	895,289
Total	674,056,773	107,746,873	-	781,803,646	10,580,757	5,198,443	-	766,024,446	663,476,016
Previous Year	672,741,373	1,315,400	-	674,056,773	10,044,303	536,454	-	10,580,757	

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

Schedule 4 - Capital Work-In-Progress

Rupees

	As at April 1, 2008	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2009
A. Assets under Construction	370,309,737	-	84,560,073	285,749,664
B. Expenditure pending allocation				
Advertisement Expenses	400,796	-	-	400,796
Bank / Corporate Guarantee Charges	172,151	-	-	172,151
Depreciation	10,580,758	3,170,186	-	13,750,944
Electricity Expenses	710,949	-	-	710,949
Printing and Stationery	1,713,908	-	-	1,713,908
Legal and Professional Charges	82,013,662	-	-	82,013,662
Rates and Taxes	322,425	-	-	322,425
Repairs and Maintenance	1,865,098	-	-	1,865,098
Employees' Cost:				
- Salaries and Other Costs	58,417,546	11,953,168	-	70,370,714
- Contribution to Provident and Other Funds	2,325,481	340,960	-	2,666,441
Site Expenses	53,884,097	16,082,326	-	69,966,423
Telephone Expenses	1,152,705	-	-	1,152,705
Travelling and Conveyance	5,080,053	-	-	5,080,053
Vehicle Hire Charges	4,065,089	-	-	4,065,089
Fringe Benefit Tax	958,138	-	-	958,138
Miscellaneous Expenses	16,402,069	-	-	16,402,069
	240,064,925	31,546,640	-	271,611,565
Less:				
Tender fees received (Net of provision for tax of Rs 1,500,000)	3,160,734	-	-	3,160,734
	236,904,191	31,546,640	-	268,450,831
C. Advance against capital contracts	4,200,278	-	-	4,200,278
Total (A+B+C)	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	March 31, 2009 Rupees	March 31, 2008 Rupees
A Long Term Investments :				
Unquoted Investments (equity shares, fully paid-up)				
In Subsidiary Companies				
Rosa Power Supply Company Limited (Previous Year: 110,000,000 equity shares) (During the year further 306,900,000 equity shares allotted)*	416,900,000	10	4,169,000,000	1,100,000,000
Chitrangi Power Private Limited (Formerly known as MP Power Generation Private Limited) *	10,000	10	100,000	100,000
Sasan Power Limited *	50,000	10	500,000	500,000
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	-
Sasan Power Infraventures Private Limited*	10,000	10	100,000	-
Reliance Power International Sarl#	34	**	268,987	-
** (Euro 125)				
			4,172,448,987	1,102,580,000
*Investments in wholly owned subsidiaries				
# Investments jointly with subsidiaries				
Quoted Investments (Fully paid up)				
In Mutual Fund Units*				
	No of Units	Face Value per unit Rs		
Reliance Fixed Horizon Fund VII - Series 2 - Institutional Growth Plan	450,000,000	10	4,500,000,000	4,500,000,000
Reliance Fixed Horizon Fund VII - Series 3 - Institutional Growth Plan	100,000,000	10	1,000,000,000	1,000,000,000
Reliance Fixed Horizon Fund VII - Series 5 - Institutional Growth Plan	50,000,000	10	500,000,000	500,000,000
Reliance Fixed Horizon Fund IX - Series 1 - Institutional Growth Plan	325,000,000	10	3,250,000,000	3,250,000,000
Reliance Fixed Horizon Fund IX - Series 5 - Institutional Growth Plan	150,000,000	10	1,500,000,000	1,500,000,000
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 IX - Series 2 - Institutional Growth Plan	100,000,000	10	1,000,000,000	-
Reliance Fixed Horizon Fund - XII - Series 4 - Super Institutional Growth	500,000,000	10	5,000,000,000	-
Reliance Fixed Horizon Fund - XII - Series 3 - Super Institutional Plan - Growth	125,000,000	10	1,250,000,000	-
Reliance Fixed Horizon Fund IV - Series 6 - Institutional Growth Plan (Market value of Rs 26,534,525,000) (Previous Year: Rs 17,622,910,000)	150,000,000	10	1,500,000,000	1,500,000,000
			24,750,000,000	17,500,000,000
Carried Forward			28,922,448,987	18,602,580,000

Reliance Power Limited

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, 2009 Rupees	As at March 31, 2008 Rupees
Brought Forward			28,922,448,987	18,602,580,000
B Current Investments (Fully paid up, unless otherwise stated) :				
Quoted Investments				
In Mutual Fund Units*				
Reliance Interval Fund-Quarterly Plan-Series I- Institutional Dividend Plan	60,850,173	10	608,858,475	-
Reliance Fixed Horizon Fund IV - Series 4 - Institutional Growth Plan (Previous Year: 600,000,000 Units)	-	10	-	6,000,000,000
Reliance Fixed Horizon Fund VI - Series 2 - Institutional Dividend Plan (Previous Year: 250,000,000 Units)	-	10	-	2,500,000,000
Reliance Fixed Horizon Fund VI - Series 3 - Institutional Growth (Previous Year: 150,000,000 Units)	-	10	-	1,500,000,000
Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan - 10 (Previous Year: 150,644,195 Units)			-	1,506,520,136
Reliance Monthly Interval Fund - Series II - Institutional Dividend Plan (Previous Year: 303,128,386 Units)	-	10	-	3,032,649,180
Reliance Monthly Interval Fund - Series I - Institutional Dividend Plan (Previous Year: 200,266,195 Units)	-	10	-	2,004,342,187
Reliance Fixed Horizon Fund VIII - Series II - Institutional Growth Plan	35,000,000	10	355,694,500	-
Reliance Liquidity Fund - Daily Dividend Reinvestment Option (Previous Year: 17,434,745,472 Units)	1,273,090,923	10	12,734,855,816	17,440,159,499
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan (Previous Year: 24,713,102 Units)	15,355,665	1000	15,373,115,271	24,741,186,255
Reliance Floating Rate Fund - Daily Dividend Reinvestment Plan (Previous Year: 451,067,952 Units)	-	10	-	4,542,118,960
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Option (Previous Year: 198,068,456 Units)	15,341,851	15	234,533,949	3,027,912,094
Reliance Medium Term Fund - Daily Dividend Plan (Market value of Rs 33,929,894,639) (Previous Year: Rs 66,497,428,984)	268,937,019	15	4,597,612,803	-
			33,904,670,814	66,294,888,311
* Includes proceeds from Initial Public Offer (Refer Note 7 of Schedule 10)			62,827,119,801	84,897,468,311
Aggregate book value of Quoted Investments			58,654,670,814	83,794,888,311
Aggregate book value of Unquoted Investments			4,172,448,987	1,102,580,000
Aggregate market value of Quoted Investments			60,464,419,639	84,120,338,984

Schedules annexed to and forming part of the Financial Statements

	As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
Schedule 6 - Current Assets, Loans and Advances		
Bank Balances		
Balances with scheduled banks:		
in current accounts*	143,660,227	3,611,089,883
in fixed deposit account (under lien with banks towards guarantee) *(Includes unclaimed share application money refund account balance of Rs 105,122,483) (Previous Year Rs 3,593,047,447)	562,749	528,256
	<u>144,222,976</u>	<u>3,611,618,139</u>
Other Current Assets		
Income tax refund receivable	524,991	524,991
Accrued interest	16,549	11,617
	<u>541,540</u>	<u>536,608</u>
Loans and Advances (Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	985,395,283	4,363,895
Advance tax (Net of Provision for tax of Rs 149,859,361)*	670,296	-
Advance towards investments in subsidiaries	28,668,934,569	45,256,000,000
Inter corporate deposits to subsidiaries	44,341,000,000	2,027,693,000
Loans and Advances to subsidiaries	34,249,212	2,565,790,410
Deposits	45,010,480	34,918,120
*Includes fringe benefit tax		
	<u>74,075,259,840</u>	<u>49,888,765,425</u>
	<u>74,220,024,356</u>	<u>53,500,920,172</u>
Schedule 7 - Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors (Refer Note 18 of Schedule 10)	285,375,743	582,369,539
Unclaimed share application money refunds	105,122,483	3,593,047,447
Other Liabilities	39,962,449	63,226,435
	<u>430,460,675</u>	<u>4,238,643,421</u>
Provisions:		
Provision for taxation (Net of Advance Tax of Rs 70,148,614)*	-	4,010,747
Provision for leave encashment	13,006,481	3,870,827
*Includes fringe benefit tax		
	<u>13,006,481</u>	<u>7,881,574</u>
	<u>443,467,156</u>	<u>4,246,524,995</u>

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

	Year ended March 31, 2009 Rupees	Year ended March 31, 2008 Rupees
Schedule 8 – Employee Cost		
Salaries and other cost	182,696,338	23,030,701
Contribution to Provident and other funds	9,186,473	692,360
Gratuity and Leave Encashment	12,309,378	7,605,184
Staff Welfare Expenses	3,407,740	612,986
	207,599,929	31,941,231
Schedule 9 – Administration and Other Expenses		
Stamp Duty and Filing Fees	2,475,988	96,995,517
Tender Expenses	4,940,000	14,840,881
Bank and Finance Charges	17,663,473	57,222,945
Directors Sitting Fees	1,500,000	341,000
Legal and Professional Charges	185,264,005	34,720,564
Feasibility Study Expenses	-	14,814,304
Rent Expenses	166,682,001	-
Repairs and Maintenance – Others	3,690,487	201,871
Postage and Courier	33,146,226	-
Bonus Issue Expenses	60,585,678	53,529,913
Advertisement Expenses	1,884,768	-
Travelling and Conveyance	28,188,048	1,720,643
Custodian Charges	28,073,857	2,714,784
Printing and Stationery	28,013,263	-
Insurance	1,485,947	119,260
Miscellaneous Expenses	9,200,748	5,122,171
	572,794,489	282,343,853

Schedules annexed to and forming part of the Financial Statements

Schedule 10 – Notes forming part of 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) Revenue Recognition:

Income from contractual services is recognised as per the terms of the respective service agreement and on the basis of service rendered.

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), not covered by the forward contracts are recognized in the Profit and Loss Account.

(ii) In respect of exchange differences arising on long term foreign currency monetary assets and liabilities, the Company has not formulated its accounting policy in this respect in accordance with the provisions of Accounting Standard 11 as prescribed by the Companies (Accounting Standards) Rules, 2006 read with the Companies (Accounting Standards) Amendment Rules, 2009 thereon notified on March 31, 2009 by Ministry of Corporate Affairs since it does not have such long term foreign currency monetary assets and liabilities as on the reporting date. The Company shall formulate its accounting policy in this respect when such situation arises.

(iii) 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 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.

(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.

(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.

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

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

(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:

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.

2. (a) Contingent Liabilities:

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

(b) Capital Commitments:

Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs 81,341,991 (Previous Year Rs 85,697,478).

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

	2008-09 Rupees	2007-08 Rupees
Whole time director*/Manager**		
Salary	4,552,648	1,600,429
Contribution to provident fund	210,094	57,872
Directors other than Whole time director		
Sitting fees	1,500,000	341,000
	<u>6,262,742</u>	<u>1,999,301</u>

*Appointed w.e.f. 07.11.2007

**Appointed w.e.f. 28.04.2008

4. Details of remuneration to Auditors:

	2008-09 Rupees	2007-08 Rupees
(a) As statutory audit fees	2,400,000	2,000,000
(b) For other services*	3,100,000	12,100,000
(c) For reimbursement of out-of-pocket expenses	21,196	71,719
	<u>5,521,196</u>	<u>14,171,719</u>

* Includes fees of Rs Nil (Previous Year: Rs 10,000,000) relating to Initial Public Offering adjusted against securities premium account (Refer Schedule 2)

Schedules annexed to and forming part of the Financial Statements

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

5. Expenditure in Foreign Currency:		Rupees	
Sr. No.		2008-09	2007-08
(a)	Professional and consultation fees	51,857,580	2,099,593
(b)	Travelling expenses	1,618,071	923,222
(c)	Others	-	518,412
		53,475,651	3,541,227

6. The Company has entered into a Memorandum of Agreement (MOA) with Government of Arunachal Pradesh for execution of four hydro power projects of 1,200 MW Kalai II on Lohit River Basin, 420 MW Amulin, 500 MW Emini and 400 MW Mithundon on river Dibang in the state of Arunachal Pradesh. As per the terms of MOA dated March 2, 2009, the Company has deposited Rs 2,085,000,000 towards upfront premium and processing fees.
7. The utilisation of Initial Public Offer (IPO) proceeds up to March 31, 2009 are given below:

Particulars	Rupees	
Proceeds received from IPO up to March 31, 2008		115,622,275,105
Add: Calls in arrears received during the year		9,840,348
		115,632,115,453
	Projected	Actual
Utilisation upto March 31, 2009		
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.	31,855,200,000	16,535,305,514
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		9,674,173,643
Upfront premium paid to Government of Arunachal Pradesh for acquiring the Hydro Projects		2,085,000,000
Share issue expenses	1,190,500,000	1,185,839,907
Total Utilised Amount (A)		29,480,319,064
Unutilised amount details of which are given below: (B)		86,151,796,389
Investments in Liquid and Fixed Maturity Funds (Including held by subsidiaries)		86,121,796,389
Deposit with Bombay Stock Exchange Limited		30,000,000
Total (A) + (B)		86,151,796,389

8. Pursuant to the approval of the Board of Directors at its meeting held on February 24, 2008 and subsequent approval of the shareholders through postal ballot, the Company has issued 136,800,000 bonus shares to all the shareholders of the Company except the promoters (pursuant to the waiver received from Shri Anil Dhirubhai Ambani, Reliance Innoventures Private Limited, AAA Project Ventures Private Limited and Reliance Infrastructure Limited) in the ratio of 3:5 equity shares of Rs 10 each by way of capitalisation of sum standing to the credit of securities premium account of the Company. The earnings per share (basic and diluted) has been adjusted accordingly for the previous year also.

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

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

9. 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 Dadri project will consist of five modules of 1,400 MW plus an additional 480 MW module and employ CCGT technology. The Company has already acquired 2,100 acres of land and is in the process of acquiring further 400 acres of land. The 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). Final hearing in RIL's gas supply commitment from KG D-6 to Dadri project in Bombay High Court concluded on January 30, 2009 and the judgment is expected soon. Critical site activities like construction of approach road and site office have been completed and boundary wall construction is in progress. Other activities will be commenced as soon as the gas supply issue with RIL is resolved. Expenditure incurred during the construction and incidental to setting up the project are carried forward as "Capital Work-in-Progress". These expenses would be capitalized as fixed assets on completion of the project and commencement of commercial operations and the Company does not envisage provision for impairment as at the balance sheet date.

10. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits":

The Company 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 Company 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.

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

Rupees

Sr. No.	Particulars	2008-09	2007-08
(a)	Contribution to provident fund	6,698,112	1,577,892
(b)	Contribution to employees' superannuation fund	2,115,047	199,216
(c)	Contribution to employees' pension scheme 1995	714,274	196,432

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 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:

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (per annum)	7.50%	7.50%	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Rate of return on plan assets	7.50%	7.50%	8.00%	8.00%
Expected average remaining working lives of employees in no. of years	20	-	17	-

Schedules annexed to and forming part of the Financial Statements

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

Rupees

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2008-09	2007-08	2008-09	2007-08
(i)	Changes in present value of obligation				
	Opening balance of present value of obligation	6,733,555	1,084,154	3,870,827	1,020,623
	Liability on transfer of Employees (Net)	3,609,497	-	2,037,150	-
	Interest Cost	538,684	86,732	309,666	76,547
	Current Service Cost	1,196,479	1,181,621	1,125,810	278,340
	Actuarial (gains) / loss	2,070,917	4,381,048	5,663,028	2,495,317
	Closing balance of present value of obligation	14,149,132	6,733,555	13,006,481	3,870,827
(ii)	Changes in fair value of plan assets				
	Opening balance of present value of plan assets	7,904,441	1,084,154	-	-
	Planned assets on transfer of employees (Net)	-	-	-	-
	Expected return on plan assets	632,355	86,732	-	-
	Employer's Contributions	5,297,856	6,733,555	-	-
	Actuarial gain / (loss) on plan assets	-	-	-	-
	Closing balance of fair value of plan assets	13,834,653	7,904,441	-	-
	Plan assets pending transfer	3,609,497	-	-	-
	Closing balance of fair value of plan assets (Including pending transfer)	17,444,150	7,904,441	-	-
(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	14,149,132	6,733,555	13,006,481	3,870,827
	Closing balance of fair value of plan assets (including pending transfers)	17,444,150	7,904,441	-	-
	Funded (asset) / liability recognised in the Balance Sheet	(3,295,018)	(1,170,886)	-	-
	Unfunded liability recognised in the Balance Sheet	-	-	13,006,481	3,870,827
(v)	Amounts recognised in the Balance Sheet				
	Closing balance of present value of obligation	14,149,132	6,733,555	13,006,481	-
	Closing balance of fair value of plan assets (including pending transfers)	17,444,150	7,904,441	-	-
	Funded (asset) / liability recognised in the Balance Sheet	(3,295,018)	(1,170,886)	-	-
	Unfunded liability recognised in the Balance Sheet	-	-	13,006,481	3,870,827
(vi)	Expenses recognised in the Profit and Loss Account				
	Current service cost	1,196,479	1,181,621	1,125,810	278,340
	Interest cost	538,684	86,732	309,666	76,547
	Expected return on plan assets	(632,355)	(86,732)	-	-
	Net actuarial (gain) / loss	2,070,917	4,381,048	7,700,177	2,495,317
	Excess provision written back	-	(807,689)	-	-
	Total expenses recognised in the Profit and Loss Account	3,173,725	4,754,980	9,135,653	2,850,204
(vii)	Experience adjustments				
	Adjustments due to change in assumptions	2,070,917	-	-	-
(viii)	Expected Employer's Contribution for the next year	5,827,642	1,299,100	-	-

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

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

11. Related Party Disclosure:

As per accounting standard-18 'Related Party Disclosures' as prescribed under the 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) Chitrangi Power Private Limited
(Formerly known as MP Power Generation Private Limited) (MPPGPL)
- 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) w.e.f. 23.03.2009
- m) Sasan Power Infraventures Private Limited (SP Infraventures) w.e.f. 23.03.2009
- n) Reliance Power International Sarl (RPIS) w.e.f. 30.10.2008
- o) Coastal Andhra Power Infrastructure Limited (CAPIL)
- p) Maharashtra Energy Generation Infrastructure Limited (MEGIL)

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

(i) Investing Parties

- a) Reliance Infrastructure Limited (Formerly known as Reliance Energy Limited) (RInfra)
- b) AAA Project Ventures Private Limited (APVPL)

(ii) Person having control over the investing party as defined in (i) (b) above Shri Anil D Ambani (Chairman)

(iii) Key Management Personnel

- Shri K H Mankad (Whole Time Director) (w.e.f. 07.11.2007)
- Shri J P Chalasani (Chief Executive Officer) (w.e.f. 08.03.2008)
- Shri Paresh Rathod (Manager) (w.e.f. 28.04.2008)

(iv) Enterprises over which person described in clause (ii) above have control

- a) Reliance Infocomm Infrastructure Private Limited (RIIPL)
- b) Reliance General Insurance Company Limited (RGICL)

Schedules annexed to and forming part of the Financial Statements

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

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

Rupees

Particulars	2008-2009	2007-2008
(i) Transaction during the year:		
Professional charges towards shared services		
- RInfra	14,610,462	13,855,697
Purchase of Assets		
- RInfra	3,777,925	-
Corporate guarantee charges		
- RInfra	-	3,667,760
Reimbursement of expenses Incurred on our behalf		
- RInfra	-	103,007,998
Incurred on behalf of Subsidiaries		
- CAPL	62,039,997	-
- SPL	65,652,594	27,743,958
- RPSCL	15,216,015	-
- MPPGPL	-	422,750
- SHPPL	4,467,133	1,400
- THPPL	3,448,279	1,400
- USHPPL	1,794,676	-
- MEGL	14,093,498	-
- KPPL	-	-
- VIPL	4,125,284	-
- RCRPL	5,186,097	-
Insurance		
- RGIC	145,081	-
Rent		
- RI IPL	133,816,155	-
Investment in subsidiaries		
- RPSCL	3,069,000,000	1,099,487,000
- SP Infrastructure	500,000	-
- SP Infraventures	100,000	-
- RPIS	268,987	-
- SPL	-	500,000
- MEGL	-	500,000
- VIPL	-	500,000
- THPPL	-	100,000
- SHPPL	-	100,000
- MPPGPL	-	100,000
- USHPPL	-	80,000
- KPPL	-	100,000
- CAPL	-	500,000
- RCRPL	-	100,000
Purchase of Shares		
- SPL	600,000	-
Share application money given		
- RPSCL	2,353,100,000	10,250,500,000

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

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

Particulars	Rupees	
	2008-2009	2007-2008
- SPL	-	7,505,000,000
- MEGL	-	27,500,500,000
- MPPGPL	1,850,000	-
- CAPL	111,100,000	-
- RCRPL	19,509,620	-
- KPPL	1,116,000,000	-
Loans and advances to subsidiaries		
- CAPL	-	2,534,400,000
Inter-corporate deposits		
- RPSCL	-	543,000,000
- SP Infrastructure	16,591,000,000	-
- SP Infraventures	10,000,000,000	-
- SPL	8,824,754,950	609,000,000
- MEGL	3,800,000	578,700,000
- VIPL	2,130,300,000	106,750,000
- THPPL	92,936,000	40,964,000
- SHPPL	2,089,670,000	23,130,000
- USHPPL	20,951,000	94,649,000
- CAPL	7,243,870,000	31,500,000
- RCRPL	99,000,000	-
Sitting fees		
- Shri Anil D Ambani	200,000	80,000
Remuneration to Key Management Personnel		
- Shri K H Mankad	3,866,043	1,658,301
- Shri J P Chalasani	11,393,953	764,817
- Shri Paresh Rathod	896,699	-
Equity share contribution		
- RInfra	-	9,159,800,000
- APVPL	-	9,159,800,000
Contingent Liabilities		
Bank Guarantee issued		
- SPL	-	3,000,000,000
- CAPL	-	3,000,000,000
(ii) Closing Balances:		
Equity contribution		
- RInfra	10,160,000,000	10,160,000,000
- APVPL	10,160,000,000	10,160,000,000
Investment in Subsidiaries		
- RPSCL	4,169,000,000	1,100,000,000
- SP Infrastructure	500,000	-
- SP Infraventures	100,000	-
- RPIS	268,987	-
- SPL	500,000	500,000
- MEGL	500,000	500,000
- VIPL	500,000	500,000

Schedules annexed to and forming part of the Financial Statements

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

Particulars	Rupees	
	2008-2009	2007-2008
- THPPL	100,000	100,000
- SHPPL	100,000	100,000
- MPPGPL	100,000	100,000
- USHPPL	80,000	80,000
- KPPL	100,000	100,000
- CAPL	500,000	500,000
- RCRPL	100,000	100,000
Loans and advances (Subsidiaries)*		
- RPSCl	2,899,683,934	543,000,000
- SPL	9,446,489,650	28,136,051,361
- MEGL	8,085,832,601	8,083,700,000
- VIPL	2,238,025,480	106,750,000
- MPPGPL	1,850,000	422,750
- THPPL	134,627,310	40,965,400
- SHPPL	2,113,839,272	23,131,400
- USHPPL	115,973,994	94,649,000
- CAPL	20,182,351,920	12,820,813,500
- RCRPL	118,509,620	-
- KPPL	1,116,000,000	-
- SP Infrastructure	16,591,000,000	-
- SP Infraventures	10,000,000,000	-
Current Liabilities and Provisions		
- RInfra	-	12,285,847
Contingent Liabilities (closing balances)		
Bank guarantees issued		
- SPL	3,000,000,000	3,000,000,000
- CAPL	3,000,000,000	3,000,000,000

* Includes inter corporate deposits converted into advance towards investments in subsidiaries.

RInfra has given an equity support undertakings to power procurers, that in the event of failure on part of the Company to invest in full or in part in the equity share capital of the special purpose vehicle formed for execution of various power projects namely Sasan Ultra Mega Power Project (UMPP), Krishnapatnam UMPP, Tilaiya UMPP and MP Power project, it shall prescribe to the balance equity.

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.

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

12. Earnings Per Share:

Particulars	2008-2009	2007-2008
Profit available to Equity Shareholders		
Profit after Tax (a) (Rs)	2,489,037,370	946,689,082
Number of Equity Shares		
Weighted Average number of Equity shares outstanding (b)	2,396,745,733	5,734,533,319
Basic and diluted Earnings Per Share (a/b) (Rs) (Refer Note 8 above)	1.04	0.17
Face value of an equity share (Rs)	10.00	10.00

Reliance Power Limited

Schedules annexed to and forming part of the Financial Statements

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

13. 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.
14. 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.
15. 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	
	31.03.2009	31.03.2008	2008-09	2007-08
Subsidiaries:				
Sasan Power Limited	9,446,489,650	28,136,051,360	37,438,112,923	28,136,051,360
Rosa Power Supply Company Limited	2,899,683,934	543,000,000	3,069,000,000	1,062,001,188
Maharashtra Energy Generation Limited	8,085,832,601	8,083,700,000	9,163,529,104	8,083,700,000
Vidarbha Industries Power Limited	2,238,025,480	106,750,000	2,238,025,480	106,750,000
Tato Hydro Power Private Limited	134,627,310	40,965,400	134,627,310	4,096,500
Siyom Hydro Power Private Limited	2,113,839,272	23,131,400	2,113,839,272	23,131,400
Urthing Sobla Hydro Power Private Limited	115,973,994	94,649,000	115,973,994	94,649,000
Coastal Andhra Power Limited	20,182,351,920	12,820,813,500	20,199,640,092	12,820,813,500
Chitrangi Power Private Limited	1,850,000	422,750	1,850,000	422,750
Reliance Coal Resources Private Limited	118,509,620	-	126,900,000	-
Kalai Power Private Limited	1,116,000,000	-	1,116,000,000	-
Sasan Power Infrastructure Limited	16,591,000,000	-	16,591,000,000	-
Sasan Power Infraventures Private Limited	10,000,000,000	-	10,000,000,000	-

* Including Share Application Money and Inter corporate Deposits

As at the year-end, the Company-

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

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

Mutual Fund Schemes	No of Units	Purchase Cost Rupees
Reliance Fixed Horizon Fund – X – Series 13 – Super Institutional Dividend Plan	178,117,557	1,781,175,566
Reliance Fixed Horizon Fund – XII – Series 13 – Super Institutional Dividend Plan	120,036,000	1,200,360,000
Reliance Liquid Fund – Cash Plan – Daily Dividend Option	788,555,793	6,685,694,373
Reliance Fixed Horizon Fund – VIII – Series – II – Institutional Dividend Plan	35,000,000	355,694,500
Reliance Fixed Horizon Fund – VIII – Series II – Institutional Dividend Plan	176,963,753	1,781,175,566
Reliance Fixed Horizon Fund – VIII – Series II – Institutional Growth Plan	175,000,000	1,761,410,000
Reliance Fixed Horizon Fund – VIII – Series 9 – Institutional Dividend Payout Plan	120,000,000	1,200,360,000

Schedules annexed to and forming part of the Financial Statements

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

Mutual Fund Schemes	No of Units	Purchase Cost Rupees
Reliance Quarterly Interval fund – Series – III Institutional Dividend Plan	11,500,827	115,058,643
Reliance Floating Rate Fund – Daily Dividend Reinvestment Plan	9,825,951	98,944,388
Reliance Monthly Interval Fund – Series II – Institutional Dividend Plan	18,195,619	182,077,274
Reliance Medium Term Fund – Daily Dividend Plan	29,291,325	500,000,000
Reliance Monthly Interval Fund – Series I – Institutional Dividend Plan	11,937,986	160,345,198

17. Disclosure as required under accounting standard – 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 :

- The Company has entered into cancellable leasing agreement for its office premises renewable by mutual consent on mutually agreeable terms.
- 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 Year	
		Noida office	10,118,827	10,700,340	
Mumbai office	12,941,142	15,273,035	18,100,760	Nil	36 months
Mumbai office	10,287,575	12,939,534	16,090,363	Nil	36 months

*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 & Loss Account.

18. 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, 2009. 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.

19. Information to the extent not disclosed, with regard to matters specified in paragraph 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, 2009.

20. 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

For Chaturvedi & Shah
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

For and on behalf of the Board

Anil D Ambani Chairman
K H Mankad Whole-time Director

S L Rao
J L Bajaj
Dr V K Chaturvedi } Directors

J P Chalasani Chief Executive Officer

Paresh Rathod Company Secretary

Date : April 23, 2009

Place: Mumbai

Date : April 23, 2009

Place: Mumbai

Reliance Power Limited

Cash Flow Statement for the year ended March 31, 2009

	Year ended March 31, 2009 Rupees	Year ended March 31, 2008 Rupees
(A) Cash Flow from/(used in) Operating Activities		
Net Profit/(loss) before taxation	2,564,737,370	1,014,389,082
Adjusted for :		
Depreciation	2,028,257	-
Dividend Income	(2,737,789,993)	(1,127,921,781)
Profit on redemption of mutual funds	(609,053,669)	(200,377,249)
Interest on Call Money Received	-	(115,453)
Interest on Fixed Deposit	(55,940)	(36,122)
Provision for Leave Encashment	9,135,654	2,042,515
Operating Profit/(Loss) before working capital changes	(770,998,321)	(312,019,008)
Adjustments for :		
Trade and other Receivables	(981,065,881)	47,916,251
Trade and other Payables	84,570,648	143,416,164
	(896,495,233)	191,332,415
Net cash used in Operating Activities	(1,667,493,554)	(120,686,593)
(B) Cash flow from/(used in) Investing Activities		
Purchase of Fixed Assets (Including Capital Work In Progress)	(51,563,254)	(91,336,384)
Dividend Income	2,737,789,993	1,127,921,781
Fixed Deposit Interest	51,008	36,122
Deposits (Non Trade)	(10,092,360)	(34,803,120)
Refund of Share Application Money by Subsidiaries	26,591,000,000	-
Advance against Investments in Subsidiaries	(26,591,000,000)	(44,858,798,812)
Investment in Subsidiaries	(3,069,868,987)	(1,102,067,000)
Purchase of Investments	(28,634,461,287)	(248,518,735,767)
Sale of Investments	54,383,732,452	175,365,485,477
Taxes Paid	(80,381,043)	(63,533,614)
Net cash generated from/(used in) Investing Activities	25,275,206,522	(118,175,831,317)
(C) Cash flow from/(used in) Financing Activities		
Proceeds from Issue of Equity Shares	-	7,999,600,000
Proceeds from Initial Public Offer including Securities Premium	9,840,348	115,622,159,652
Loans and Advances to subsidiaries	(23,194,700,371)	(4,593,483,410)
Share Issue Expenses	(402,357,637)	(721,413,270)
Unclaimed Share Application Money Refundable (represents unclaimed net application money refundable to the investors)	-	3,593,047,447
Refund of Share Application Money	(3,487,924,964)	-
Interest on Call Money Received	-	115,453
Net cash generated from/(used in) Financing Activities	(27,075,142,624)	121,900,025,872
Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C)	(3,467,429,656)	3,603,507,962
Opening Balance of Cash and Cash equivalents (Balance in Current Account)	3,611,089,883	7,249,841
Add : Cash received on Amalgamation	-	332,080
Closing Balance of Cash and Cash equivalents (Balance in Current Account)	143,660,227	3,611,089,883

Previous year figures have been regrouped/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

For Chaturvedi & Shah
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

For and on behalf of the Board

Anil D Ambani Chairman
K H Mankad Whole-time Director
S L Rao
J L Bajaj } Directors
Dr V K Chaturvedi
J P Chalasani Chief Executive Officer
Paresh Rathod Company Secretary

Date : April 23, 2009
Place : Mumbai

Date : April 23, 2009
Place : Mumbai

Sr. No.		Particulars		The Financial Year of the subsidiary companies ended on		Date from which they became subsidiary companies		Number and face value of shares held by the Company at the end of the financial year of the subsidiary companies		Extent of Interest of Holding Company at the end of the financial year of the subsidiary companies		The net aggregate amount of the subsidiary companies Profit/(loss) so far as it concerns the members of the Holding Company			
												Not dealt with in the Holding Company's accounts		Dealt with in Holding Company's accounts	
												For the financial year ended 31st March, 2009	For the previous financial years of the subsidiary companies since they became the Holding Company's subsidiary	For the financial year ended 31st March, 2009	For the previous financial year ended 31st March, 2009
1	Sasan Power Limited	31-03-2009	07-08-2007	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	417,951	(23,291,998)	-	-	-	-				
2	Rosa Power Supply Company Limited	31-03-2009	01-11-2006	416,900,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(81,003,941)	(19,885,803)	-	-	-	-				
3	Maharashtra Energy Generation Limited	31-03-2009	28-08-2007	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	25,203,753	(24,988,000)	-	-	-	-				
4	Vidarbha Industries Power Limited	31-03-2009	30-08-2007	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(24,766,128)	(4,602)	-	-	-	-				
5	Tato Hydro Power Private Limited	31-03-2009	07-09-2007	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(7,101,800)	(8,450)	-	-	-	-				
6	Siyom Hydro Power Private Limited	31-03-2009	07-09-2007	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	50,809,263	(8,200)	-	-	-	-				
7	Chitrangji Power Private Limited (Formerly known as MP Power Generation Private Limited)	31-03-2009	07-09-2007	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	-	(452,415)	-	-	-	-				
8	Urthing Sobla Hydro Power Private Limited	31-03-2009	13-09-2007	8,000 Equity Shares of the face value of Rs 10 each fully paid-up	80%	(1,064,000)	(24,000)	-	-	-	-				
9	Kalai Power Private Limited	31-03-2009	26-09-2007	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(110,042)	(30,422)	-	-	-	-				
10	Coastal Andhra Power Private Limited	31-03-2009	29-01-2008	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	2,686,245	(28,005,886)	-	-	-	-				
11	Reliance Coal Resources Private Limited	31-03-2009	14-03-2008	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(116,805,136)	(36,160)	-	-	-	-				
12	Reliance Power International Sarl	31-03-2009	30-10-2008	#100 Equity Shares of the face value of Euro 125	100%	(1,154,938)	NA	-	-	-	NA				

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in Subsidiary Companies

Sr. No.	Particulars	The Financial Year of the subsidiary companies ended on	Date from which they became subsidiary companies	Number and face value of shares held by the Company at the end of the financial year of the subsidiary companies	Extent of Interest of Holding Company at the end of the financial year of the subsidiary companies	The net aggregate amount of the subsidiary companies Profit/(Loss) so far as it concerns the members of the Holding Company		
						Dealt with in Holding Company's accounts		
						Not dealt with in the Holding Company's accounts	For the financial year ended 31st March, 2009	For the financial year ended 31st March, 2009
13	Sasan Power Infrastructure Limited	31-03-2009	*23-03-2009	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	For the financial year ended 31st March, 2009	For the financial year ended 31st March, 2009	For the previous financial year ended 31st March, 2009
14	Sasan Power Infrastructures Private Limited	31-03-2009	*23-03-2009	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	For the financial year ended 31st March, 2009	For the financial year ended 31st March, 2009	For the previous financial year ended 31st March, 2009
15	Step-down Subsidiaries:- Maharashtra Energy Generation Infrastructure Limited	31-03-2009	23-02-2008	500,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	For the financial year ended 31st March, 2009	For the financial year ended 31st March, 2009	For the previous financial year ended 31st March, 2009
16	Coastal Andhra Power Infrastructure Limited	31-03-2009	23-02-2008	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	For the financial year ended 31st March, 2009	For the financial year ended 31st March, 2009	For the previous financial year ended 31st March, 2009

* During the year Reliance Power Limited has purchased the shares of sub-subsidiary Companies (50,000 equity shares of Sasan Power Infrastructure Limited and 10,000 Equity Shares of Sasan Power Infrastructures Private Limited) from Sasan Power Limited

The Shareholding Pattern of Reliance Power International SARL : 34% of the total number of shares (i.e. 100) is held by Reliance Power Limited and balance 33% each is held by Sasan Power Limited and Coastal Andhra Power Limited.

Note : 1. Figures in bracket represent losses.

For and on behalf of the Board	
Anil D Ambani	Chairman
K H Mankad	Whole-time Director
S L Rao	Directors
J L Bajaj	
Dr V K Chaturvedi	Chief Executive Officer
J P Chalasani	Company Secretary
Paresh Rathod	Company Secretary
Date : April 23, 2009	
Place: Mumbai	

Consolidated Financial Statements

Auditors' Report to the Board of Directors of Reliance Power Limited on the Consolidated Financial Statements

1. We have audited the attached consolidated Balance Sheet of Reliance Power Limited ('the Company') and its subsidiaries (together referred to as the Group) as at March 31, 2009, 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 and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of subsidiaries - Reliance Coal Resources Private Limited, Sasan Power Infrastructure Limited, Sasan Power Infraventures Private Limited, Maharashtra Energy Generation Infrastructure Limited, Coastal Andhra Power Infrastructure Limited for the year ended March 31, 2009 have been audited by one of the joint auditors, Chaturvedi & Shah, Chartered Accountants, whose financial statements reflect the Group's share of total assets of Rs 44,465,484,704 as at March 31, 2009, Group's share of total revenue of Rs 109,290,497 and net cash inflows amounting to Rs 1,096,672 for the year ended on that date as considered in the consolidated financial statements.
4. We have relied on the unaudited financial statements of subsidiary Reliance Power International SARL whose financial statements reflect the Group's share of total assets of Rs 2,272 as at March 31, 2009 and the Group's share of total revenue of Rs Nil and net cash outflows amounting to Rs 1,309 for the period ended on that date as considered in the consolidated financial statements. These unaudited financial statements as approved by the Board of Directors the Company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiary is based solely on such approved unaudited financial statements.
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, as prescribed under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit as aforesaid, and on consideration of reports of one of the joint auditors on the separate financial statements and on the other financial information of the components and the financial statements approved by the Board of Directors, as explained in paragraph 4 above, in our opinion and to the best of our information and according to the explanation given to us, 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, 2009;
 - 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 **Price Waterhouse**
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

Date : April 23, 2009
Place: Mumbai

For **Chaturvedi & Shah**
Chartered Accountants

C D Lala
Partner
Membership No. 35671

Date : April 23, 2009
Place: Mumbai

Reliance Power Limited

Consolidated Balance Sheet as at March 31, 2009

	Schedule	As at March 31, 2009		As at March 31, 2008	
		Rupees	Rupees	Rupees	Rupees
Sources of Funds					
Shareholders' Funds					
Share Capital	1		23,968,000,000		22,599,532,472
Reserves and Surplus	2		113,823,505,232		112,734,564,449
Minority Interest			-		14,000
Loan Funds					
Secured Loans	3		13,324,942,048		4,482,696,207
			151,116,447,280		139,816,807,128
Application of Funds					
Fixed Assets					
Gross Block	4		2,951,642,157	2,148,287,007	
Less: Depreciation			72,993,814	16,877,768	
Net Block			2,878,648,343	2,131,409,239	
Capital Work-in-Progress	5		46,780,211,547	8,178,173,854	
			49,658,859,890		10,309,583,093
Investments	6		103,172,389,208		131,233,862,075
Current Assets, Loans and Advances					
Cash and Bank Balances	7		216,332,236	4,269,602,666	
Other Current Assets			102,636,061	536,608	
Loans and Advances			1,893,234,466	680,507,856	
			2,212,202,763	4,950,647,130	
Less: Current Liabilities and Provisions					
Current Liabilities	8		3,672,093,090	6,598,635,664	
Provisions			254,911,491	78,649,506	
			3,927,004,581	6,677,285,170	
Net Current Liabilities			(1,714,801,818)		(1,726,638,040)
			151,116,447,280		139,816,807,128
Notes forming part of Consolidated Financial Statements	11				

As per our attached Report of even date

For Price Waterhouse

Chartered Accountants

For Chaturvedi & Shah

Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

C D Lala

Partner

Membership No. 35671

For and on behalf of the Board

Anil D Ambani

Chairman

K H Mankad

Whole-time Director

S L Rao

J L Bajaj

Dr V K Chaturvedi

Directors

J P Chalasani

Chief Executive Officer

Paresh Rathod

Company Secretary

Date : April 23, 2009

Place: Mumbai

Date : April 23, 2009

Place: Mumbai

Consolidated Profit and Loss Account for the year ended March 31, 2009

	Schedule	Year ended March 31, 2009	Year ended March 31, 2008
		Rupees	Rupees
Income			
Dividend Income		2,848,581,201	1,127,932,740
Profit on redemption of Mutual Fund (Net)		609,272,958	200,377,249
Miscellaneous Income		145,931,335	615,136
		<u>3,603,785,494</u>	<u>1,328,925,125</u>
Expenditure			
Employee Cost	9	244,882,489	31,941,231
Administration and Other Expenses	10	786,488,784	375,495,022
Depreciation		2,176,878	-
		<u>1,033,548,151</u>	<u>407,436,253</u>
Profit before Tax and Minority Interest		2,570,237,343	921,488,872
Provision for Taxation			
Current Tax		119,014,172	58,000,800
Fringe Benefit Tax		6,040,000	4,000,000
Wealth Tax		100,000	-
Taxes of Earlier Years		-	5,700,000
Profit after Tax and before Minority Interest		2,445,083,171	853,788,072
Minority Interest		(14,000)	(6,000)
Profit after Tax and Minority Interest		2,445,097,171	853,794,072
Profit and Loss Account balance brought forward		853,953,118	159,046
Profit and Loss Account balance carried forward to Balance Sheet		<u>3,299,050,289</u>	<u>853,953,118</u>
Earnings Per Share (Refer Note 14 of Schedule 11)		1.02	0.15
(Face value of Rs 10 per share)			

Notes forming part of the Consolidated Financial Statements

11

As per our attached Report of even date

For Price Waterhouse
Chartered Accountants

For Chaturvedi & Shah
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Date : April 23, 2009
Place: Mumbai

For and on behalf of the Board

Anil D Ambani Chairman
K H Mankad Whole-time Director

S L Rao
J L Bajaj
Dr V K Chaturvedi } Directors

J P Chalasani Chief Executive Officer

Paresh Rathod Company Secretary

Date : April 23, 2009
Place: Mumbai

Reliance Power Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	As at March 31, 2009 Rupees	As at March 31, 2008 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
	<u>160,000,000,000</u>	<u>160,000,000,000</u>
Issued and Subscribed		
2,396,800,000 (Previous Year: 2,000,000,000) Equity shares of Rs 10 each fully paid up*	23,968,000,000	20,000,000,000
260,000,000 Equity Shares of Rs 10 each	-	2,600,000,000
Less: Calls in arrears on 62,337 equity shares	-	467,528
*(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) (Refer Note 5 of Schedule 11)		
	<u>23,968,000,000</u>	<u>22,599,532,472</u>
Schedule 2 – Reserves and Surplus		
Capital Reserve		
Capital Reserve on Consolidation	238,221	238,221
Securities Premium Account		
Balance as per last Balance sheet	111,834,316,481	-
Add: Towards public issue of equity shares	-	113,032,000,000
Add: Calls paid	9,372,820	-
Add: Liability towards share issue expenses no longer required written back	2,470,792	-
Less: Calls unpaid 9,372,820	-	-
Less: Utilised towards share issue expenses	-	1,188,310,699
Less: Capitalised as bonus equity shares (Refer Note 5 of Schedule 11)	1,368,000,000	-
	<u>110,478,160,093</u>	<u>111,834,316,481</u>
General Reserve		
Balance as per last balance sheet	46,056,629	-
Add: Transfer on amalgamation	-	46,056,629
	<u>46,056,629</u>	<u>46,056,629</u>
Profit and Loss Account		
	<u>3,299,050,289</u>	<u>853,953,118</u>
	<u>113,823,505,232</u>	<u>112,734,564,449</u>
Schedule 3 – Secured Loans		
Term Loan from Banks and Financial Institutions		
- Rupee Loan	8,956,248,824	4,482,696,207
- Foreign Currency Loan	2,535,000,003	-
- Buyers' Credit (Refer Note 10 of Schedule 11)	1,833,693,221	-
	<u>13,324,942,048</u>	<u>4,482,696,207</u>

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 4 – Fixed Assets

Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net Block		
	As at April 1, 2008	Additions on acquisition of Subsidiaries	Additions during the year	(Deduction)/ Adjustments during the year*	As at March 31, 2009	Upto April 1, 2008	Additions on acquisition of Subsidiaries	For the year	(Deduction)/ Adjustments during the year*	As at March 31, 2009	As at March 31, 2008
Goodwill on Consolidation	4,175,122	-	-	-	4,175,122	-	-	-	-	-	4,175,122
Freehold Land	1,772,889,851	-	352,913,680	-	2,125,803,531	-	-	-	-	-	1,772,889,851
Leasehold Land	299,825,859	-	143,458,899	23,985,400	467,270,158	4,009,821	-	4,150,032	-	8,159,853	295,816,038
Plant and Machinery	5,784,105	-	37,826,462	2,340,083	45,950,650	245,120	-	1,539,347	583,982	43,582,201	5,538,985
Building	54,392,211	-	98,863,163	35,299,948	188,555,322	11,089,129	-	17,797,907	15,790,239	44,677,275	43,303,082
Furniture, Fixtures and Office Equipments	4,710,988	-	46,743,648	12,888,409	64,343,045	684,043	-	4,507,723	6,125,759	53,025,520	4,026,945
Computer	1,648,165	-	15,220,191	-	16,868,356	475,456	-	1,419,142	-	1,894,598	1,172,709
Motor Vehicles	4,860,706	-	30,525,243	3,290,024	38,675,973	374,199	-	1,933,940	2,267,975	34,099,859	4,486,507
Total	2,148,287,007	70,334,475	725,551,286	77,803,864	2,951,642,157	16,877,768	-	31,348,091	24,767,955	72,993,814	2,131,409,239
Previous Year	900,105,075	1,177,847,457	-	-	2,148,287,007	11,134,816	385,672	5,357,280	-	16,877,768	2,131,409,239

*Pertains to aggregate value of assets taken over from National Hydro Power Corporation and accumulated depreciation thereon on execution of Memorandum of Transfer (Refer Note 11 of Schedule 11).

Reliance Power Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 5 - Capital Work-In-Progress

Particulars	Rupees			
	As at April 1, 2008	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2009
A. Assets under Construction	1,886,918,817	12,694,162,923	86,567,919	14,494,513,821
B. Expenditure pending allocation				
Advertisement Expenses	28,707,909	4,629,809	-	33,337,718
Bank and Corporate Guarantee Charges	36,772,535	36,306,303	-	73,078,838
Depreciation	16,877,768	29,171,213	-	46,048,981
Electricity Expenses	813,418	1,633,670	-	2,447,088
Printing and Stationary	3,979,873	2,947,410	-	6,927,283
Legal and Professional Charges	554,911,670	660,083,112	-	1,214,994,782
Rates and Taxes	10,949,806	11,104,274	-	22,054,080
Rent	37,109,786	10,582,660	-	47,692,446
Repairs and Maintenance - Others	3,861,777	19,186,287	-	23,048,064
Employee Cost				
- Salaries and Other Costs	145,817,875	197,260,771	-	343,078,646
- Contribution to Provident and Other Funds (Refer Note 12 of Schedule 11)	3,280,553	8,681,407	-	11,961,960
- Gratuity and Leave Encashment (Refer Note 12 of Schedule 11)	833,754	4,441,586	-	5,275,340
Staff Welfare	2,604,826	22,676,565	-	25,281,391
Site Expenses	61,364,549	25,681,944	-	87,046,493
Security Expenses	1,793,709	4,700,891	-	6,494,600
Survey and Investigation Expenses	195,105,195	18,226,923	-	213,332,118
Interest and Finance Charges:	-	2,247,685	-	2,247,685
- Term Loan	187,231,685	873,589,543	-	1,060,821,228
- Others (Net)	96,239,181	46,566,397	-	142,805,578
Exchange Loss (Refer Note 7 of Schedule 11)	-	330,463,473	-	330,463,473
Social Welfare Expenses	16,384,058	32,740,211	-	49,124,269
Communication Expenses	6,099,977	3,782,652	-	9,882,629
Travelling and Conveyance	47,801,418	63,909,596	-	111,711,014
Administration Expenses	54,996,538	2,423,135	-	57,419,673
Premium Paid to Regulatory authority/State Government	55,600,000	1,151,700,000	-	1,207,300,000
Fringe Benefit Tax	2,479,138	9,837,434	-	12,316,572
Insurance Charges	15,866	2,294,615	-	2,310,481
Project Development Charges	-	1,006,467,328	-	1,006,467,328
Miscellaneous Expenses	121,742,684	50,726,757	-	172,469,441
Carried Forward	1,693,375,548	4,634,063,651	-	6,327,439,199

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 5 - Capital Work-In-Progress (Contd..)

Particulars	Rupees			
	As at April 1, 2008	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2009
Brought Forward	1,693,375,548	4,634,063,651	-	6,327,439,199
Less: Income				
Tender fees received	11,504,050	-	-	11,504,050
Foreign Exchange Gain	-	69,805,230	-	69,805,230
Interest on Fixed Deposit	-	5,672,843	-	5,672,843
Dividend Income on Mutual Funds	7,188,622	65,504,665	-	72,693,287
Other Income	444,586	371,970	-	816,556
	19,137,258	141,354,708	-	160,491,966
Less: Provision for Income Tax	4,365,308	28,510,000	-	32,875,308
	14,771,950	112,844,708	-	127,616,658
Total	1,678,603,598	4,521,218,943	-	6,199,822,541
C. Construction Stores	836,243,890	(102,071,874)	-	734,172,016
D. Advance against capital contracts	3,776,407,549	22,692,554,372	1,117,258,752	25,351,703,169
Total (A+B+C+D)	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 6 - Investments (Non Trade)	No. of Units	Face Value per unit Rs.	As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
A. Long Term Investments				
Quoted Investments (Fully paid up)				
In Mutual Fund Units*				
Reliance Fixed Horizon Fund VII - Series 2 - Institutional Growth Plan	1,800,000,000	10	18,000,000,000	18,000,000,000
Reliance Fixed Horizon Fund VII-Series 3- Institutional Growth Plan	300,000,000	10	3,000,000,000	3,000,000,000
Reliance Fixed Horizon Fund VII-Series 5- Institutional Growth Plan	50,000,000	10	500,000,000	500,000,000
Reliance Fixed Horizon Fund IX-Series 1- Institutional Growth Plan	1,300,000,000	10	13,000,000,000	13,000,000,000
Reliance Fixed Horizon Fund IX-Series 5- Institutional Growth Plan	600,000,000	10	6,000,000,000	6,000,000,000
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 IX-Series 2- Institutional Dividend Payout Plan	100,000,000	10	1,000,000,000	-
Reliance Fixed Horizon Fund -XII- Series 4 - Super Institutional Growth Plan	500,000,000	10	5,000,000,000	-
Reliance Fixed Horizon Fund -XII- Series 3 - Super Institutional Growth Plan	125,000,000	10	1,250,000,000	-
Reliance Fixed Horizon Fund IV-Series 6- Institutional Growth Plan	150,000,000	10	1,500,000,000	1,500,000,000
(Market Value of Rs 74,060,590,000) (Previous Year of Rs 61,028,135,753)			68,000,000,000	60,750,000,000
B. Current Investments				
(Fully paid up, unless otherwise stated)				
Quoted Investments				
In Mutual Fund Units*				
Reliance Interval Fund - Quarterly Plan - Series I - Institutional Dividend Plan	60,850,173	10	608,858,475	-
Reliance Fixed Horizon Fund VI - Series 2 - Institutional Dividend Plan (Previous Year: 250,000,000 Units)	-	10	-	2,500,000,000
Reliance Fixed Horizon Fund VI - Series 3 - Institutional Growth Plan (Previous Year: 150,000,000 Units)	-	10	-	1,500,000,000
Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan (Previous Year: 150,644,195 Units)	-	10	-	1,506,520,136
Reliance Fixed Horizon Fund IV - Series 4 - Institutional Growth Plan (Previous Year: 600,000,000 Units)	-	10	-	6,000,000,000
Carried Forward			608,858,475	11,506,520,136

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 6 - Investments (Non Trade)	No. of Units	Face Value per unit Rs.	As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
Brought Forward			608,858,475	11,506,520,136
Reliance Monthly Interval Fund - Series II - Institutional Dividend Plan (Previous Year: 303,128,386 Units)	-	10	-	3,032,649,180
Reliance Monthly Interval Fund - Series I - Institutional Dividend Plan (Previous Year: 400,266,195 Units)	-	10	-	4,004,342,187
Reliance Fixed Horizon Fund VIII - Series II - Institutional Growth Plan	155,000,000	10	1,555,694,500	-
Reliance Liquidity Fund - Daily Dividend Reinvestment Option (Previous Year: 1,743,475,472 Units)	1,273,634,549	10	12,740,293,759	17,440,159,499
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan (Previous Year: 24,173,102 Units)	15,401,418	1,000	15,418,920,740	24,741,186,255
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Option (Previous Year: 340,934,203 Units)	15,341,851	15	234,533,949	5,211,929,346
Reliance Medium Term Fund - Daily Dividend Plan	268,937,019	15	4,597,612,803	-
Reliance Floating Rate Fund - Daily Dividend Reinvestment Plan (Previous Year: 451,067,952 Units)	-	10	-	4,542,118,960
Reliance Floating Rate Fund - Daily Dividend Reinvestment Option	1,143,874	10	11,518,470	-
Reliance Floating Rate Fund - Institutional Option - Growth Plan (Market Value of Rs 35,300,264,492) (Previous Year of Rs 70,745,225,274)	393,112	10	4,956,512	4,956,512
			35,172,389,208	70,483,862,075
* Includes proceeds from Initial Public Offer (Refer Note 4 of Schedule 11)				
			103,172,389,208	131,233,862,075
Aggregate book value of Quoted Investments			103,172,389,208	131,233,862,075
Aggregate market value of Quoted Investments			109,360,854,492	131,773,361,027

Reliance Power Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
Schedule 7 - Current Assets, Loans and Advances		
(a) Cash and Bank Balances		
Cash on Hand	3,407	3,407
Bank Balances with Scheduled Banks		
in Current Accounts*	215,766,080	4,269,071,003
in Fixed Deposit Account (under lien with banks towards guarantee)	562,749	528,256
*[Includes unclaimed share application money refund account balance of Rs 105,122,483 (Previous Year Rs 3,593,047,447)]		
	<u>216,332,236</u>	<u>4,269,602,666</u>
(b) Other Current Assets		
Income tax refund receivable	524,991	524,991
Accrued interest	102,111,070	11,617
	<u>102,636,061</u>	<u>536,608</u>
(c) Loans and Advances (Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1,210,517,332	93,656,114
Advance Tax*	186,839,384	78,696,922
Deposits	495,877,750	508,154,820
* Includes fringe benefit tax		
	<u>1,893,234,466</u>	<u>680,507,856</u>
	<u>2,212,202,763</u>	<u>4,950,647,130</u>
Schedule 8 - Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors (Refer note 18 of Schedule 11)	2,598,640,497	2,862,839,654
Retention Money	778,880,390	26,707,011
Unclaimed share application money refunds	105,122,483	3,593,047,447
Other Liabilities	176,518,745	116,041,552
Interest accrued but not due	12,930,975	-
	<u>3,672,093,090</u>	<u>6,598,635,664</u>
Provision		
Provision for taxation*	237,661,767	74,160,161
Provision for gratuity and leave encashment (Refer Note 12 of Schedule 11)	17,249,724	4,489,345
*Include fringe benefit tax	254,911,491	78,649,506
	<u>3,927,004,581</u>	<u>6,677,285,170</u>

Schedules annexed to and forming part of the Consolidated Financial Statements

	Year ended March 31, 2009 Rupees	Year ended March 31, 2008 Rupees
Schedule 9 - Employee Cost		
Salaries and Other Cost	216,044,428	23,030,701
Contribution to Provident and Other Funds (Refer Note 12 of Schedule 11)	11,086,560	692,360
Gratuity and Leave Encashment (Refer Note 12 of Schedule 11)	14,343,762	7,605,184
Staff Welfare Expenses	3,407,739	612,986
	244,882,489	31,941,231
Schedule 10 - Administration and Other Expenses		
Stamp Duty and Filing Fees	57,056,380	189,284,540
Tender Expenses	4,940,000	14,840,881
Bank and Finance Charges	17,705,382	57,644,693
Directors Sitting Fees	1,500,000	341,000
Legal and Professional Charges	239,482,881	34,959,064
Feasibility Study Expenses	-	14,814,304
Rent Expenses	166,682,001	-
Repairs and Maintenance - Others	3,690,487	201,871
Postage and Courier	33,146,226	-
Bonus Issue Expenses	60,585,678	53,529,913
Advertisement Expenses	1,884,768	-
Travelling and Conveyance	44,535,376	1,720,643
Custodian Charges	28,073,857	2,714,784
Printing and Stationery	28,013,263	-
Insurance	1,485,947	119,260
Foreign Exchange Loss (Net)	81,017,090	-
Preliminary Expenses Written off	-	121,661
Miscellaneous Expenses	16,689,448	5,202,408
	786,488,784	375,495,022

Schedule 11 – 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 and 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:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended March 31, 2009.

(II) The subsidiaries (including step down subsidiaries) considered in the consolidated financial statements are:

Names of the Subsidiaries	Country of incorporation	Proportion (%) of shareholding as on March 31, 2009	Proportion (%) of shareholding as on March 31, 2008
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 (Formerly known as MP Power Generation Private Limited) (MPPGPL)	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) (w.e.f. 30-Oct-2008)	Luxembourg	100	-
m) Sasan Power Infrastructure Limited (SP Infrastructure)	India	100	100
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

Schedules annexed to and forming part of the Consolidated Financial Statements

(c) Revenue Recognition:

Income from contractual services is recognised as per the terms of the respective service agreement and on the basis of service rendered.

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 not covered by the forward contracts are recognised in the Profit and Loss Account.

(ii) In respect of exchange differences arising on long term foreign currency monetary items, the Group has not formulated its accounting policy in this respect in accordance with the provisions of Accounting Standard 11 as prescribed by the Companies (Accounting Standards) Rules, 2006 read with the Companies (Accounting Standards) Amendment Rules, 2009 thereon notified on March 31, 2009 by Ministry of Corporate Affairs since it does not have such long term foreign currency monetary assets and liabilities as on the reporting date. The Company shall formulate its accounting policy in this respect when such situation arises (Refer Note 7 below).

(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) Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

(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.

(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) 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.

(i) 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.

(j) 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 recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized 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.

(k) 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.

Reliance Power Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

(l) 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.

2. (a) Contingent Liabilities:

Counter Guarantees given to banks against guarantees issued by the banks on behalf of the group aggregate to Rs 6,000,000,000 (previous year Rs 6,000,000,000) and claims not acknowledged as debts Rs 5,120,000 (previous year Rs Nil).

(b) Capital Commitments:

Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs 325,310,845,935 (previous year Rs 16,696,656,588).

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

	2008-09 Rupees	2007-08 Rupees
Whole-time director*/Manager**		
Salary	4,552,648	1,600,429
Contribution to provident fund	210,094	57,872
Directors other than Whole time director		
Sitting fees	1,500,000	341,000
	<u>6,262,742</u>	<u>1,999,301</u>

*Appointed w.e.f. 07.11.2007

**Appointed w.e.f. 28.04.2008

4. The Proceeds raised from the initial public offer (IPO) and its utilisation upto March 31, 2009 are given below:

Particulars	Rupees	
Proceeds received from IPO upto March 31, 2008		115,622,275,105
Add: Calls in arrears received during the year		9,840,348
	Projected	115,632,115,453
Utilisation upto March 31, 2009		
Funding 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.	31,855,200,000	16,535,305,514
Funding 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		9,674,173,643
Upfront premium paid to Government of Arunachal Pradesh for acquiring the Hydro Projects		2,085,000,000
Share issue expenses	1,190,500,000	1,185,839,907
Total Utilised Amount		29,480,319,064
Unutilised amount		86,151,796,389
Break up of unutilised amount :		
Investments in Liquid and Fixed Maturity Funds		86,121,796,389
Deposit with Bombay Stock Exchange Limited		30,000,000
Total		86,151,796,389

Schedules annexed to and forming part of the Consolidated Financial Statements

5. Pursuant to the approval of the Board of Directors at its meeting held on February 24, 2008 and subsequent approval of the shareholders through postal ballot, the Parent Company has issued 136,800,000 bonus shares to all the shareholders of the Parent Company except the promoters (pursuant to the waiver received from Shri Anil Dhirubhai Ambani, Reliance Innoventures Private Limited, AAA Project Ventures Private Limited and Reliance Infrastructure Limited) in the ratio of 3:5 equity shares of Rs 10 each by way of capitalisation of sum standing to the credit of securities premium account of the Parent Company. The earnings per share (basic and diluted) has been adjusted accordingly for the previous year also.
6. The Parent 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 Dadri project will consist of five modules of 1,400 MW plus an additional 480 MW module and employ CCGT technology. The Parent Company has already acquired 2,100 acres of land and is in the process of acquiring further 400 acres of land. The 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). Final hearing in RIL's gas supply commitment from KG D-6 to Dadri project in Bombay High Court concluded on January 30, 2009 and the judgment is expected soon. Critical site activities like construction of approach road and site office have been completed and boundary wall construction is in progress. Other activities will be commenced as soon as the gas supply issue with RIL is resolved. Expenditure incurred during the construction and incidental to setting up the project are carried forward as "Capital Work in Progress". These expenses would be capitalized as fixed assets on completion of the project and commencement of commercial operations and the Parent Company does not envisage provision for impairment as at the balance sheet date.
7. The Group is not required to and accordingly has not formulated its accounting policy with respect to accounting for long term foreign currency items in accordance with the provisions of Accounting Standard 11 as prescribed by the Companies (Accounting Standards) Rules, 2006 read with the Companies (Accounting Standards) Amendment Rules, 2009 thereon notified on March 31, 2009 by Ministry of Corporate Affairs as the Group (except in case of RPSCL) does not have any long term foreign currency monetary items. RPSCL, has exercised the option available under the Companies (Accounting Standards) Amendment Rules, 2009 and capitalised exchange differences aggregating to Rs 275,745,233 arising from revaluation of long term foreign currency monetary liabilities towards acquisition of fixed assets. In absence of long term foreign currency monetary items as on the reporting date for the Group (excluding RPSCL), the principles of uniform accounting policies as referred to in Accounting Standard 21 as prescribed by the Companies (Accounting Standards) Rules, 2006 for like transactions and other events in similar circumstances does not arise.
8. The Parent Company has entered into a Memorandum of Agreement (MOA) with Government of Arunachal Pradesh for execution of four hydro power projects of 1,200 MW Kalai II on Lohit River Basin, 420 MW Amulin, 500 MW Emini and 400 MW Mithundon on river Dibang in the state of Arunachal Pradesh. As per the terms of MOA dated March 2, 2009, the Parent Company has deposited Rs 2,085,000,000 towards upfront premium and processing fees.
9. During the year Reliance Power International Sarl, a Perpetual, Limited Liability Company has become a Subsidiary Company. The net loss on acquisition of the said company on Group's Profit and Loss account is Rs 1,154,938.
10. RPSCL has secured loans from banks and financial institutions which are secured by-
 - 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.
11. **Siyom Hydro Power Private Limited:**

The Company had paid an ad-hoc amount of Rs 1,114,100,000 to National Hydroelectric Power Corporation Limited (NHPC) in the previous year towards expenditure incurred for Siyom Hydroelectric Project. Against the said amount the company has received details of expenditure aggregating Rs 1,059,600,000 vide communication dated 06/04/2009. Considering the details received, the Company has accounted for the expenditure as fixed assets (Refer Schedule 4) or project development expenditure under capital work in progress (Refer Schedule 5).

The Parent Company has executed a memorandum of transfer with NHPC on April 17, 2008 and on April 24, 2008 for transfer of all the immovable and movable assets respectively of the Project situated at the site.

Reliance Power Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

NHPC had depreciated fixed assets as per the rate prescribed by Central Electricity Regulatory Authority. To bring in the line with the policy of the Company, depreciation on all the assets taken over has been recomputed from the date of purchase as per the rate and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on these assets has been transferred to Capital work-in-progress, since the said assets are for the use and construction of the plant.

12. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits":

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.

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

Rupees

Sr. No.	Particulars	2008-09	2007-08
(a)	Contribution to provident fund	14,593,243	2,198,536
(b)	Contribution to employees' superannuation fund	3,318,595	452,388
(c)	Contribution to employees' deposit linked insurance	63,722	-
(d)	Contribution to employees' pension scheme 1995	1,792,407	277,678

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:

	Gratuity		Leave Encashment	
	2008-2009	2007-2008	2008-2009	2007-2008
Discount Rate (per annum)	7.50%	8.00%	7.50%	8.00%
Rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Rate of return on plan assets	7.50%	8.00%	7.50%	8.00%
Expected average remaining working lives of employees in no. of years	17 to 24	17 to 19	-	-

Schedules annexed to and forming part of the Consolidated Financial Statements

Rupees

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2008-09	2007-08	2008-09	2007-08
(i)	Changes in present value of obligation				
	Opening balance of present value of obligation	6,948,791	1,084,154	4,489,345	1,020,623
	Liability on transfer of Employees (Net)	4,613,853	-	3,226,190	-
	Interest Cost	555,903	86,732	359,148	76,547
	Current Service Cost	2,551,571	1,396,857	2,526,060	896,858
	Actuarial (gains) / loss	3,572,098	4,381,048	6,851,892	2,495,317
	Closing balance of present value of obligation	18,242,216	6,948,791	17,452,635	4,489,345
(ii)	Changes in fair value of plan assets				
	Opening balance of present value of plan assets	8,119,677	1,084,154	-	-
	Expected return on plan assets	646,602	86,732	-	-
	Employer's Contributions	8,992,604	6,948,791	-	-
	Closing balance of fair value of plan assets	17,758,883	8,119,677	-	-
	Plan assets pending transfer	4,613,853	-	210,912	-
	Closing balance of fair value of plan assets (including pending transfer)	22,372,736	8,119,677	210,912	-
(iii)	Percentage of each category of plan assets to total fair value of plan assets				
	Administered by the 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	18,242,216	6,948,791	17,452,635	4,489,345
	Closing balance of fair value of plan assets (including pending transfers)	22,372,736	8,119,677	210,912	-
	Funded (asset) / liability recognised in the Balance Sheet	(4,138,521)	(1,170,886)	-	-
	Unfunded liability recognized in the Balance Sheet	8,001	-	17,241,723	4,489,345
(v)	Amounts recognised in the Balance Sheet				
	Closing balance of present value of obligation	18,242,216	6,948,791	17,452,635	4,489,345
	Closing balance of fair value of plan assets (including pending transfers)	22,372,736	8,119,677	210,912	-
	Funded (asset) / liability recognised in the Balance Sheet	(4,138,521)	(1,170,886)	-	-
	Unfunded liability recognized in the Balance Sheet	8,001	-	17,241,723	4,489,345
(vi)	Expenses recognised in the Profit and Loss Account / Capital work in progress				
	Current service cost	2,551,571	1,396,857	5,541,338	896,858
	Interest cost	555,903	86,732	359,148	76,547
	Expected return on plan assets	(649,574)	(86,732)	-	-
	Excess provision written back	-	(807,689)	-	-
	Net actuarial (gain) / loss	3,575,070	4,381,048	6,851,892	2,495,317
	Total expenses recognised during the year	6,032,970	4,970,216	12,752,378	3,468,722
(vii)	Expected Employers' Contribution for the next year	9,091,360	1,299,100	-	-

Reliance Power Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

13. 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 (RInfra) |
| | b) AAA Project Ventures Private Limited (APVPL) |
| (ii) Person having control over the investing party as defined in (i) (b) above: | Shri Anil D Ambani, Chairman |
| (iii) Key Management Personnel | Shri K H Mankad, Whole-time Director (w.e.f. 07.11.2007)
Shri J P Chalasani, Chief Executive Officer (w.e.f. 08.03.2008)
Shri Paresh Rathod, Manager (w.e.f. 28.04.2008) |
| (iv) Enterprises over which person described in clause (ii) above have control | Reliance Natural Resources Limited (RNRL)
Reliance General Insurance Company Limited (RGICL)
Reliance Infocomm Infrastructure Private Limited (RIIPL)
Reliance Communications Limited (RCom) |

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	-	-	3,866,043	3,866,043
	-	-	1,658,301	1,658,301
- Shri J P Chalasani	-	-	11,393,953	11,393,953
	-	-	764,817	764,817
- Shri Paresh Rathod	-	-	896,699	896,699
	-	-	-	-
Sitting Fees				
- Shri Anil D Ambani	-	-	200,000	200,000
	-	-	80,000	80,000
Guarantees and Collaterals provided				
- RInfra	-	-	-	-
	3,669,846	-	-	3,669,846
Advances given against EPC Contract				
- RInfra	17,950,000,000	-	-	17,950,000,000
	-	-	-	-
Advances refunded against EPC Contract				
- RInfra	1,050,000,000	-	-	1,050,000,000
	-	-	-	-
Interest Income				
- RInfra	140,585,976	-	-	140,585,976
	-	-	-	-
Professional Fees and Reimbursement of Expenses				
- RInfra	377,440,124	-	-	377,440,124
	1,465,157,241	132,985	-	1,465,290,226

Schedules annexed to and forming part of the Consolidated 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
- RNRL	-	10,004,865	-	10,004,865
	-	-	-	-
Assets purchased				
- RInfra	27,592,429	-	-	27,592,429
	-	-	-	-
Material and Services received				
- RInfra	890,145,882	-	-	890,145,882
	-	-	-	-
- RIIPL	-	133,816,155	-	133,816,155
	-	-	-	-
- RCom	-	4,957,386	-	4,957,386
	-	-	-	-
Insurance Premium				
- RGICL	-	25,141,244	-	25,141,244
	-	-	-	-
Equity Share Contribution				
- RInfra	-	-	-	-
	<i>9,159,800,000</i>	-	-	<i>9,159,800,000</i>
- APVPL	-	-	-	-
	<i>9,159,800,000</i>	-	-	<i>9,159,800,000</i>
Advance against share application money (received)				
- RInfra	-	-	-	-
	<i>11,200,000</i>	-	-	<i>11,200,000</i>
Repayment of Advance against Share Application Money				
- RInfra	-	-	-	-
	<i>81,700,000</i>	-	-	<i>81,700,000</i>
Balance Sheet Heads: (Closing Balances)				
Current Liabilities and Provisions				
- RInfra	260,848,978	-	-	260,848,978
	<i>1,197,363,353</i>	-	-	<i>1,197,363,353</i>
Retention payable towards EPC Contract				
- RInfra	88,757,656	-	-	88,757,656
	-	-	-	-
Equity Share Contribution				
- RInfra	10,160,000,000	-	-	10,160,000,000
	<i>10,160,000,000</i>	-	-	<i>10,160,000,000</i>
- APVPL	10,160,000,000	-	-	10,160,000,000
	<i>10,160,000,000</i>	-	-	<i>10,160,000,000</i>
Balance of EPC Advances				
- RInfra	16,369,201,533	-	-	16,369,201,533
	-	-	-	-
Balance Receivable				
- RInfra	94,069,780	-	-	94,069,780
	-	-	-	-

Figures in italics are pertaining to previous year.

Reliance Power Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

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.

14. Earnings Per Share:

	2008-2009	2007-2008
Profit available to Equity Shareholders		
- Profit / (Loss) after Tax (A) (Rs)	2,445,097,171	853,794,072
Number of Equity Shares		
- Weighted Number of equity shares outstanding (B) (Refer Note 5 above)	2,396,745,733	5,734,533,319
Basic and diluted earnings per share (A/B) (Rs)	1.02	0.15
Nominal value of an Equity Share (Rs)	10	10

15. 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.

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

17. 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	10,118,827	10,700,340	22,292,375	Nil	48 months
Mumbai office	12,941,142	15,273,035	18,100,760	Nil	36 months
Mumbai office	10,287,575	12,939,534	16,090,363	Nil	36 months

*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 10.

18. 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, 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 Group.

Schedules annexed to and forming part of the Consolidated Financial Statements

19. (Note No. 19 of Schedule 11 of Consolidated Financial Statements)

Pursuant to the exemption granted by the Department of Company 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:

Name of Subsidiary	Share Capital (including Share Application Money)	Reserves and Surplus/ Profit and Loss Account (Debit Balance)	Total Assets (Fixed Assets + Capital WIP + Current Assets + Deferred Tax Asset)	Total Liabilities (Debts + Current Liabilities + Deferred Tax Liability)	Investment	Turnover *	Profit / (Loss) before Taxation	Provision for Taxation#	Profit / (Loss) after Taxation
SPL	9,434,254,950	(22,874,047)	9,571,595,761	165,918,586	5,703,728	437,943	417,951	-	417,951
RPSC	7,065,100,000	(100,889,744)	22,876,959,004	15,958,554,217	45,805,469	-	(81,003,941)	-	(81,003,941)
MEGL	583,000,000	215,753	8,083,632,538	7,505,416,785	5,000,000	38,515,997	38,515,997	13,312,244	25,203,753
VIPL	2,237,550,000	(24,976,778)	2,359,206,036	146,632,814	-	62,372	(24,766,128)	-	(24,766,128)
THPPL	134,000,000	(7,110,250)	183,417,547	56,527,797	-	-	(7,101,800)	-	(7,101,800)
SHPPL	2,112,900,000	50,801,063	2,199,404,512	47,221,919	11,518,470	103,112,991	85,511,191	34,701,928	50,809,263
MPPGPL	1,950,000	(452,415)	2,163,549	665,964	-	-	-	-	-
USHPPL	115,700,000	(1,360,000)	131,266,888	16,926,888	-	-	(1,330,000)	-	(1,330,000)
KPPL	1,116,100,000	(140,464)	1,116,068,696	109,160	-	-	(110,042)	-	(110,042)
CAPL	9,921,370,000	(25,319,641)	20,407,491,343	10,512,206,815	765,831	5,205,649	2,686,245	-	2,686,245
RCRPL	118,609,620	(116,843,793)	8,999,860	7,234,033	-	4,434	(115,365,136)	1,440,000	(116,805,136)
SP Infrastructure	500,000	109,211,266	727,811	16,591,016,545	16,700,000,000	109,544,739	109,267,962	-	109,267,962
SP Infrastructures	100,000	(34,587)	81,958	10,000,016,545	10,000,000,000	-	(16,545)	-	(16,545)
MEGIL	5,000,000	210,733	276,281	7,500,022,060	7,504,956,512	-	(32,326)	-	(32,326)
CAPIL	500,000	(74,263)	442,282	10,250,016,545	10,250,000,000	-	(18,517)	-	(18,517)
RPIS	800,603	(1,154,938)	2274	356,608	-	-	(1,154,938)	-	(1,154,938)

* Represents other income # Includes fringe benefit tax

20. 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 and on behalf of the Board	
For Price Waterhouse	For Chaturvedi & Shah	Anil D Ambani	Chairman
Chartered Accountants	Chartered Accountants	K H Mankad	Whole-time Director
Partha Ghosh	C D Lala	S L Rao	} Directors
Partner	Partner	J L Bajaj	
Membership No. 55913	Membership No. 35671	Dr V K Chaturvedi	Chief Executive Officer
		J P Chalasani	Company Secretary
		Paresh Rathod	
Date : April 23, 2009	Date : April 23, 2009		
Place : Mumbai	Place : Mumbai		

Reliance Power Limited

Consolidated Cash Flow Statement for the year ended March 31, 2009

	Year ended March 31, 2009 Rupees	Year ended March 31, 2008 Rupees
A. Cash Flow from / (used in) Operating Activities:		
Net Profit before taxation	2,570,237,343	921,488,872
Adjustments for :		
Dividend Income	(2,848,581,201)	(1,127,932,740)
Depreciation	2,176,878	-
Profit on redemption of mutual funds	(609,272,958)	(200,377,249)
Interest on Call Money Received	-	(115,453)
Other Interest	(140,641,916)	(36,122)
Provision for Gratuity and Leave Encashment	12,760,378	2,661,033
Foreign exchange loss	81,003,941	-
Operating Loss before working capital changes	(932,317,535)	(404,311,659)
Adjustments for :		
Loans and Advances	(983,360,121)	35,334,295
Current Liabilities	90,389,418	(202,489,486)
	(892,970,703)	(167,155,191)
Net Cash used in Operating Activities	(1,825,288,237)	(571,466,850)
B. Cash Flow from / (used) in Investing Activities:		
Purchase of Fixed Assets (Including Capital Work In Progress)	(39,087,908,542)	(3,609,735,694)
Dividend Income	2,848,581,201	1,127,932,740
Interest Received	38,542,463	36,122
Deposits (Non Trade)	12,277,070	(37,236,700)
Purchase of Investments	(28,697,003,881)	(295,952,693,707)
Acquisition of Subsidiaries	(800,603)	(8,100,000)
Advance recoverable in Cash or in Kind	133,535,590	(34,671,455)
Sale of Investments	57,367,749,704	175,365,485,477
Taxes Paid	(108,142,462)	(65,150,134)
Net Cash used in Investing Activities	(7,760,240,640)	(123,214,133,351)
C. Cash Flow from Financing Activities:		
Proceeds from Issue of Equity Shares	-	7,999,600,000
Proceeds from Initial Public Offer including Securities Premium	9,840,348	115,622,159,652
Proceeds from Borrowing (Secured)	8,504,640,639	4,482,696,207
Repayment of Borrowings	-	(2,856,080,656)
Interest and Finance Charges	907,224,965	-
Share Issue Expenses	(402,357,637)	(721,413,270)
Refund of Share Application Money by subsidiaries	-	(81,700,000)
Unclaimed Share Application Money Refundable (represents unclaimed net application money refundable to the investors)	-	3,593,047,447
Refund of Share Application Money	(3,487,924,964)	-
Interest on Call Money Received	-	115,453
Net Cash from Financing Activities	5,531,423,351	128,038,424,833
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(4,054,105,526)	4,252,824,632
Opening Balance of Cash and Cash equivalents (Balance in Current Account)	4,269,074,410	8,293,363
Add : Cash taken over on acquisition of subsidiaries	800,603	7,624,335
Add : Cash received on Amalgamation	-	332,080
Closing Balance of Cash and Cash equivalents (Balance in Current Account)	215,769,487	4,269,074,410

Previous year figures have been regrouped/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

For Chaturvedi & Shah
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

For and on behalf of the Board

Anil D Ambani Chairman
K H Mankad Whole-time Director
S L Rao }
J L Bajaj } Directors
Dr V K Chaturvedi }
J P Chalasani Chief Executive Officer
Paresh Rathod Company Secretary

Date : April 23, 2009
Place : Mumbai

Date : April 23, 2009
Place : Mumbai

Reliance Power Limited

Shareholder Satisfaction Survey 2009

We have been constantly endeavouring to extend the best possible services to our shareowners and we seek your feedback on the same. Kindly, therefore, return this response form duly filled to our R & T agents, Karvy Computershare Private Limited.
It is indeed our privilege to have you as our shareowner and to continue to receive your trust and confidence.

To,
Karvy Computershare Private Limited
Unit : Reliance Power Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081

Reg : **Shareholder Satisfaction Survey-2009-Response Form**

Name of Sole/First holder : _____

Folio No.

STD Code

DP ID

Telephone No.

Client ID e-mail _____

Kindly rate our services in following areas

	Excellent	Good	Needs Improvement
1. Responses to queries/complaints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Your overall rating of our investor service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Presentation of information on Company's website www.reliancepower.co.in	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Quality and contents of Annual Report 2008-09	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Do you have any grievance which has not been addressed so far : <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please furnish details in brief			

6. Your suggestions and comments for improvement in our services

Date _____

Signature of member

Business Reply Inland Letter Card

Postage will
be paid by
the
Addressee

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Cyberabad Post Office
Hyderabad - 500 081

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INDIA

To,
Kavy Computershare Private Limited
Unit: Reliance Power Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081

Fold

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 **15th Annual General Meeting** of Reliance Power Limited held on Tuesday, July 28, 2009, at 11:00 a.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020.

Signature of the shareholder or proxy

*Applicable for investors holding shares in electronic form.

TEAR HERE

Reliance Power Limited**PROXY FORM**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 **15th Annual General Meeting** of Reliance Power Limited held on Tuesday, July 28, 2009, at 11:00 a.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020 or at any adjournment thereof.

Signed this day of 2009.

* Applicable for investors holding shares 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)**

Plot No. 17-24, Vittal Rao Nagar

Madhapur

Hyderabad 500 081

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