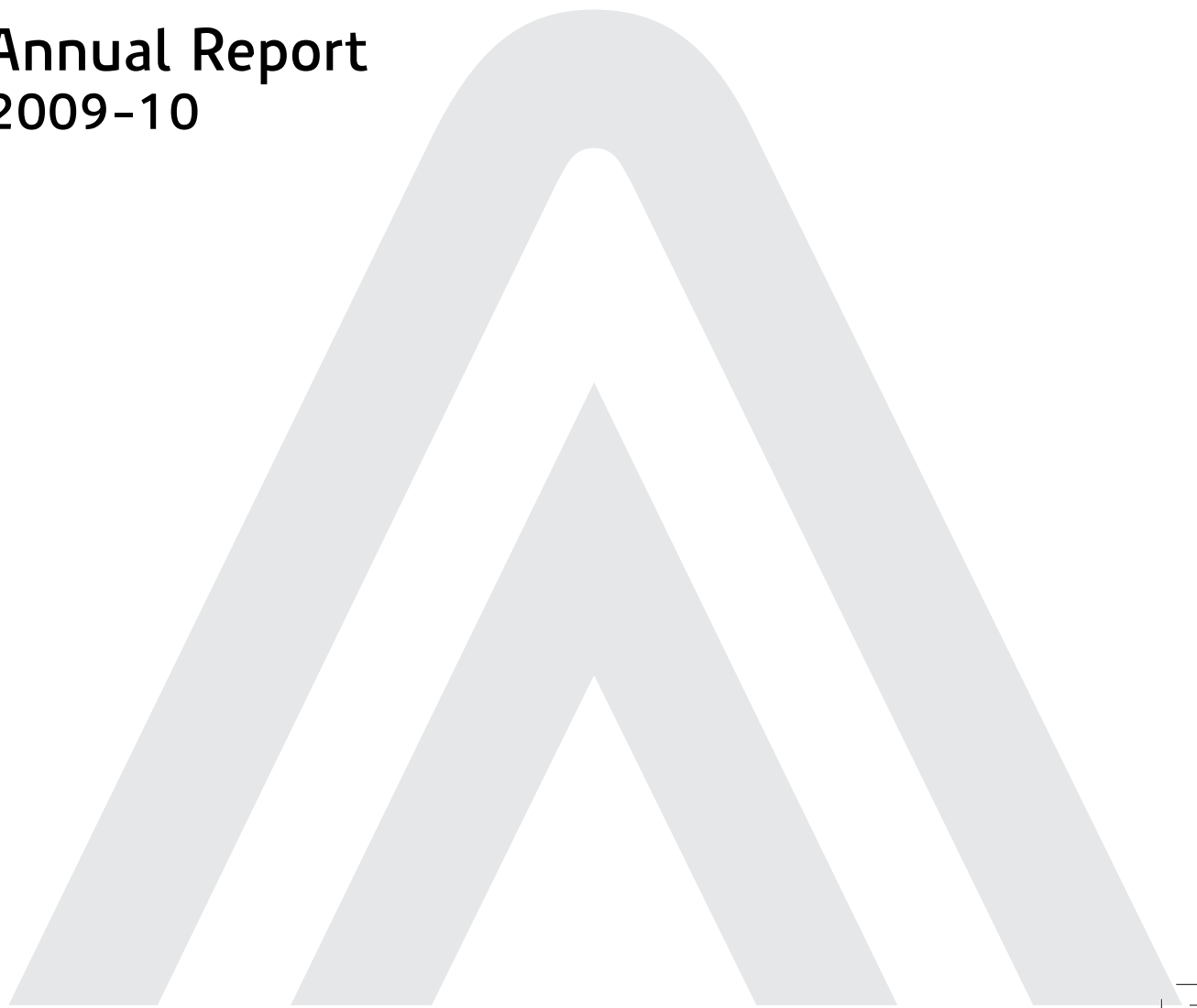


**RELIANCE** Power  
Anil Dhirubhai Ambani Group

**Annual Report  
2009-10**





## **Dhirubhai H. Ambani**

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

Reliance Group - Founder and Visionary

## Profile

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

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

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

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

RPower strongly believes in clean green power and our projects will be using technologies with minimum environment impact.

## Mission: Excellence in Power Generation

- To attain global best practices and become a leading power generating company.
- To achieve excellence in project execution, quality, reliability, safety and operational efficiency.
- To relentlessly pursue new opportunities, capitalizing on synergies in the power generation sector.
- To consistently enhance our competitiveness and deliver profitable growth.
- To practice highest standards of corporate governance and be a financially sound company.
- To be a responsible corporate citizen nurturing human values and concern for society.
- To improve the lives of local community in all our projects.
- To be a partner in nation building and contribute towards India's economic growth.
- To promote a work culture that fosters learning, individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems and become the employer of choice.
- To earn the trust and confidence of all stakeholders, exceeding their expectations.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

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

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

**Registrar and Transfer Agent**

Karvy Computershare Private Limited  
Madhura Estate, Municipal No. 1-9/13/C  
Plot No. 13 & 13C, Madhapur Village  
Hyderabad 500 081. Andhra Pradesh, India  
website : [www.karvy.com](http://www.karvy.com)

Toll free no. (India) : 1800 4250 999

Telephone nos. : +91 40 4433 8100  
+91 40 4030 8000

Fax no. : +91 40 2342 0859

Email : rpower@karvy.com

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The Annual Report can be accessed at [www.reliancepower.co.in](http://www.reliancepower.co.in)

Letter to Shareowners



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

– Anil Dhirubhai Ambani

My dear fellow shareowners,

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

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

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

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

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

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

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

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

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

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

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

# Reliance Power Limited

## Letter to Shareowners

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

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

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

### Performance Review

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

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

### Corporate Governance

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

### Social Commitments

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

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

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

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

We are acutely mindful of our responsibilities in the development of areas where our projects are located, particularly since many of these regions have yet to bear the fruits of development. It will always be our mission to contribute towards improving the quality of life of the communities living around our project sites. Indeed, we believe that our success in executing large-scale generation projects is critically dependent on following a participatory development-oriented approach that strengthens our bond with the local population.

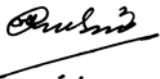
### Our Commitment

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

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

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

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

  
Anil Dhirubhai Ambani  
Chairman

## Notice

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

### Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K H Mankad, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr Yogendra Narain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) and M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next annual general Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

### Special Business

5. To consider and, if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to all such sanctions, as may be necessary, the consent of the Company be and is hereby accorded

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board of Directors**

**Paresh Rathod**  
**Company Secretary and Manager**

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

## Notes

1. **A Member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself and the proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 (forty eight) hours before the commencement of the Meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Meeting.
3. Members/proxies should fill in the attendance slip for attending the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold share(s) in electronic form are requested to write their DP Id and Client Id numbers and those who hold share(s) in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the registered office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting. The certificate from the Auditors of the Company in terms of the SEBI (Employees Stock Option Scheme and

### Notes

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

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

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

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

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

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

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

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

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

The draft Agreement to be entered into between the Company and Shri K H Mankad is available for inspection at the registered office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of ensuing Annual General Meeting. The terms and conditions mentioned herein may also be treated as an abstract under Section 302 of the Companies Act, 1956.

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

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

**By Order of the Board of Directors**

**Paresh Rathod**  
**Company Secretary and Manager**

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



## Directors' Report

Dear Shareowners,

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

### Financial Results

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

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

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

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

### Financial Performance

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

### Business Operations

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

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

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

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

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

### Dividend

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

### Management Discussion and Analysis

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

# Reliance Power Limited

## Directors' Report

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

### Subsidiary Companies

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

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

### Employee Stock Option Scheme

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

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

### Fixed Deposits

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

## Directors

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

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

### Directors' Responsibility Statement

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

- i. in the preparation of the annual accounts for financial year ended March 31, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year under review;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts for financial year ended March 31, 2010 on a 'going concern' basis.

### Group

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

### Consolidated Financial Statements

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