



L 784259



BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

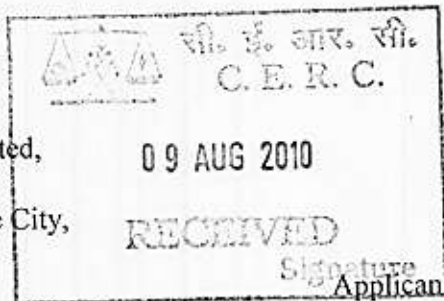
File No : _____
Case No : _____

IN THE MATTER OF:

Submission of Accounting Statements and Auditor's Report of Reliance Energy Trading Limited for the Year ended 31.03.2010 in compliance of Clause 8(c) of the Central Electricity Regulatory Commission (Procedure, Terms & Conditions for grant of Trading License and other related matters) Regulations, 2009 No. L-7/143/158/2008-CERC Dated 16th February, 2009.

And

IN THE MATTER OF:
Reliance Energy Trading Limited,
Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai - 400710



AFFIDAVIT

I, Mahendra Kumar, son of Late Sh. Manohar Lal, aged 61 years, residing at IA-63, Oakwood Estate, Akashnecm Marg, DLF Phase-II, Gurgaon-122002, Haryana do hereby solemnly affirm and state as follows:

Signature

1. That I am the Authorized Representative of Reliance Energy Trading Limited. I say that I am conversant with the facts and circumstances of the case and I am duly authorized to file Audited Accounting Statements and Auditor's Report of Reliance Energy Trading Limited for the year ended 31.03.2010 on behalf of the Applicant Company.
2. In compliance of provisions required as per Clause 8(e) of the Central Electricity Regulatory Commission (Procedure, Terms & Conditions for grant of Trading License and other related matters) Regulations, 2009 No. L-7/143/158/2008-CERC Dated 16th February, 2009, Duly Audited Accounting Statements and Auditor's Report of Reliance Energy Trading Limited are submitted herewith.



[Signature]
DEPONENT

Verification:

I, Mahendra Kumar, the above named deponent, hereby solemnly affirm that the contents of my above are true to my knowledge and I believe the same to be true.

Verified by me on this 09th Day of August, 2010 at New Delhi.



[Signature]
DEPONENT



ATTESTED


NOTARY PUBLIC
DELHI

9/8/10

Auditors' Report to the Members of Reliance Energy Trading Limited

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

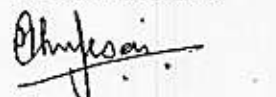
For Chaturvedi & Shah
Firm Registration Number: 101720W
Chartered Accountants


C.D. Lala
Partner
Membership Number 35671

Place: Mumbai
Date: May 13, 2010



For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants


Mehul Desai
Partner
Membership Number 103211

Place: Mumbai
Date: May 13, 2010

Annexure to Auditors' Report

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

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) In our opinion and according to the information and explanations given to us, there are no disposals of fixed assets by the Company during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of energy and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
4. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the period to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for the business of Company.
8. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of profession tax, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
9. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
10. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
13. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
14. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

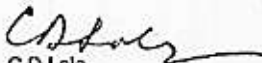


Annexure to Auditors' Report

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

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.
19. The Company has not raised any money by public issue during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
21. Clause ii of paragraph 4 of the Order, is not applicable in case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

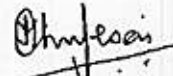
For Chaturvedi & Shah
Firm Registration Number: 101720W
Chartered Accountants


C.D. Lala
Partner
Membership Number 35671

Place: Mumbai
Date: May 13 2010



For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants


Mehul Desai
Partner
Membership Number 103211

Place: Mumbai
Date: May 13 2010

Reliance Energy Trading Limited
Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Sources of Funds			
Shareholders' Funds			
Capital	1	206,500,000	205,500,000
Reserves and Surplus			
	2	314,503,730	127,466,064
		<u>521,003,730</u>	<u>332,966,064</u>
Application Of Funds			
Fixed Assets			
Gross Block	3	855,791	223,942
Less: Depreciation		238,674	33,903
Net Block		<u>617,117</u>	<u>190,039</u>
Investments	4	125,000,000	120,000,000
Deferred Tax Asset (Net) (Refer Note 8 of Schedule 11)		542,299	360,582
Current Assets, Loans and Advances			
Sundry Debtors	5	425,864,391	722,736,930
Cash and Bank Balances		98,351,884	62,210,703
Loans and Advances		398,547,307	115,047,819
		<u>922,763,582</u>	<u>899,995,452</u>
Less : Current Liabilities and Provisions			
Current Liabilities	6	526,325,095	686,436,381
Provisions		1,594,173	1,143,628
		<u>527,919,268</u>	<u>687,580,009</u>
Net Current Assets		<u>394,844,314</u>	<u>212,415,443</u>
		<u>521,003,730</u>	<u>332,966,064</u>
Notes forming part of the Financial Statements	11		

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

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

For Chaturvedi & Shah
Firm Registration Number: 101720W
Chartered Accountants

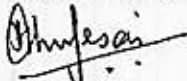


C.D. Lala
Partner
Membership No: 35671

Place: Mumbai
Date: May 13, 2010




For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants



Mehul Desai
Partner
Membership No: 103211

Place: Mumbai
Date: May 13, 2010

For and on behalf of the Board


Ashish Tambawala
Director
Mahendra Kumar
Director

Place: Mumbai
Date: May 12, 2010

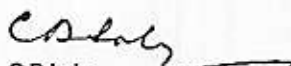
Reliance Energy Trading Limited
Profit and Loss Account for the year ended March 31, 2010

	Schedule	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
Income			
Sale of Energy		10,325,102,280	8,644,101,428
Other Operational Income		41,490,025	16,483,634
Other Income	7	29,165,420	24,003,869
		<u>10,395,757,725</u>	<u>8,684,588,931</u>
Expenditure			
Purchase of Energy		10,223,907,700	8,590,654,202
Employee Cost	8	20,491,649	13,284,006
Administration and Other Expenses	9	18,529,665	11,981,869
Interest and Finance Charges	10	1,007,076	2,192,598
Depreciation		204,771	29,422
		<u>10,264,140,861</u>	<u>8,618,142,097</u>
Profit before Taxation		131,616,864	66,446,834
Provision for Taxation			
Current Tax		44,000,000	20,000,000
Deferred Tax		(181,717)	(76,486)
Fringe Benefit Tax		-	210,000
Tax adjustments for earlier years (Net)		(239,085)	-
Profit after Taxation		88,037,666	46,313,320
Balance of Profit brought forward from previous year		127,466,064	81,152,744
Balance carried to the Balance Sheet		<u>215,503,730</u>	<u>127,466,064</u>
Earnings per Share - Basic and Diluted (Refer Note 9 of Schedule 11)		4.26	2.25
Notes forming part of the Financial Statements	11		

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

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

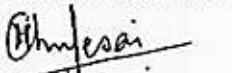
For Chaturvedi & Shah
Firm Registration Number: 101720W
Chartered Accountants


C.D. Lala
Partner
Membership No: 35671

Place: Mumbai
Date: May 13, 2010





For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants


Mehul Dasai
Partner
Membership No: 103211

Place: Mumbai
Date: May 13, 2010

For and on behalf of the Board


Ashish Tambawala
Director


Mahendra Kumar
Director

Place: Mumbai
Date: May 12, 2010

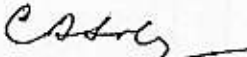
Reliance Energy Trading Limited
Cash Flow Statement for the year ended March 31, 2010

	Year ended March 31, 2010		Year ended March 31, 2009	
	Rupees	Rupees	Rupees	Rupees
A. Cash Flow from Operating Activities				
Profit Before Taxation		131,616,864		66,446,834
Adjustments for				
Interest Income	(21,072,076)		(13,789,470)	
Provision for Gratuity and Leave Encashment	450,545		300,881	
Depreciation	204,771		29,422	
Dividend on Mutual Fund	(8,001,053)		(10,214,399)	
Profit on Redemption of Mutual Fund	(92,291)		-	
		<u>(28,510,104)</u>		<u>(23,673,566)</u>
Operating profits before working capital changes		103,106,760		42,773,268
Adjustments for				
Trade Receivables	296,872,539		(539,569,315)	
Other Receivables	(284,206,703)		(40,845,328)	
Trade Payables and other liabilities	(160,111,286)		515,446,846	
		<u>(147,445,450)</u>		<u>(64,967,797)</u>
Cash from Operating Activities		(44,338,690)		(22,194,529)
Taxes Paid		(43,053,700)		(22,959,790)
Net Cash used in Operating Activities		<u>(87,392,390)</u>		<u>(45,154,319)</u>
B. Cash Flow from Investing Activities				
Interest Income	21,072,076		13,789,470	
Purchase of Investments	(12,249,201,053)		-	
Sale / redemption of Investments	12,244,293,344		80,544,050	
Dividend on mutual Fund	8,001,053		10,214,399	
Purchase of Fixed assets	(631,849)		(179,277)	
Net Cash from Investing Activities		<u>23,533,571</u>		<u>104,368,642</u>
C. Cash Flow from Financing Activities				
Proceeds from Issue of Equity Shares		100,000,000		
Inter Corporate Deposits taken		150,000,000		184,500,000
Inter Corporate Deposits refunded		(150,000,000)		(184,500,000)
Net Cash from Financing Activities		<u>100,000,000</u>		<u>-</u>
Net Increase in Cash and Cash equivalents (A+B+C)		36,141,181		59,214,323
Cash and cash equivalents at the beginning of the year		62,210,703		2,996,380
Cash and cash equivalents at the end of the year		98,351,884		62,210,703
- Balance with scheduled bank				
Net Increase in Cash and Cash Equivalent as disclosed above		<u>36,141,181</u>		<u>59,214,323</u>

Previous year figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current period.

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

For Chaturvedi & Shah
Firm Registration Number: 101720W
Chartered Accountants

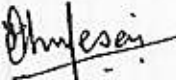


C.D. Lala
Partner
Membership No: 35671

Place: Mumbai
Date: May 13, 2010



For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants



Mehul Desai
Partner
Membership No: 103211

Place: Mumbai
Date: May 13, 2010

For and on behalf of the Board



Ashish Tambawala
Director

Place: Mumbai
Date: May 12, 2010



Mahendra Kumar
Director

Reliance Energy Trading Limited
Schedules Annexed to and forming part of Financial Statements

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Schedule 1: Share Capital		
Authorised		
25,000,000 (Previous Year 20,550,000) Equity shares of Rs. 10 each (Refer Note 3 of Schedule 11)	250,000,000	205,500,000
	<u>250,000,000</u>	<u>205,500,000</u>
Issued, Subscribed and Paid up		
20,650,000 (Previous Year 20,550,000) equity shares of Rs. 10 each fully paid up (All the above shares are held by Reliance Infrastructure Limited, the holding company and its nominees) (Refer Note 4 of Schedule 11)	206,500,000	205,500,000
	<u>206,500,000</u>	<u>205,500,000</u>
Schedule 2: Reserves and Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	-	-
Add: Premium received on rights issue of equity shares (Refer Note 4 of Schedule 11)	99,000,000	-
	<u>99,000,000</u>	<u>-</u>
Profit and Loss Account	215,503,730	127,466,064
	<u>314,503,730</u>	<u>127,466,064</u>



Schedule 3: Fixed Assets

Rupees

Particulars	Gross Block (At Cost)			As at March 31, 2010	Depreciation / Amortisation			Upto March 31, 2010	Net Block	
	As at April 1, 2009	Additions during the year	Deductions during the year		For the year	Deductions during the year	As at March 31, 2010		As at March 31, 2009	
Exchange Terminal	163,877	-	-	163,877	26,364	26,364	-	53,128	110,749	137,213
Furniture and Fixtures	10,221	328,747	-	338,968	2,889	155,140	-	168,029	170,939	7,332
Office Equipments	49,844	303,102	-	352,946	4,450	13,067	-	17,517	335,429	45,394
Total	223,942	631,849	-	855,791	33,903	294,771	-	238,674	617,117	190,039
Previous Year	44,865	193,771	14,494	223,942	4,481	29,422	-	33,901		



Reliance Energy Trading Limited
Schedules Annexed to and forming part of Financial Statements

As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
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Schedule - 4 : Investments

Current Investment (Non-Trade)
In Mutual Fund Units - Quoted

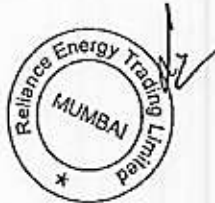
Reliance Liquid Fund- Growth Option
(9,019,019 (9,060,433) units of face value Rs. 10 each)
(Market Value Rs. 125,022,547 (Rs. 120,024,463))

125,000,000	120,000,000
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125,000,000	120,000,000
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Investments purchased and sold during the year

Mutual Fund	No. of Units	Purchase Cost
Reliance Money Manager Fund - Daily Dividend Reinvestment Option	61,937	62,007,225
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	1,205,844,538	12,062,193,828



Reliance Energy Trading Limited
Schedules Annexed to and forming part of Financial Statements

As at
March 31, 2010
Rupees

As at
March 31, 2009
Rupees

Schedule 5 : Current Assets, Loans and Advances

Sundry Debtors

(Unsecured and considered good)

Debts outstanding for a period exceeding six months

Other Debts

- 228,962
425,864,391 722,507,968

425,864,391 722,736,930

Cash and Bank Balances

Bank Balances with Scheduled Banks on Current Accounts

98,351,884 62,210,703

98,351,884 62,210,703

Loans and Advances

(Unsecured and considered good, unless otherwise stated)

Advance recoverable in cash or in kind or for value to be received

Advance Tax and Tax deducted at source

(Net of provision for tax Rs. 98,033,000 (Previous year Rs. 54,033,000))

Deposits

371,582,771 105,623,038

826,066 1,533,281

28,138,470 7,891,500

398,547,307 115,047,819

922,763,582 899,995,452

Schedule 6 : Current Liabilities and Provisions

Current Liabilities

Sundry Creditors (Refer Note 10 of Schedule 11)

Other Liabilities

525,809,534 685,928,390

515,561 507,991

526,325,095 686,436,381

Provisions

Provision for Gratuity and Leave Encashment (Refer Note 11 of Schedule 11)

1,594,173 1,143,628

527,919,268 687,580,009



Reliance Energy Trading Limited
Schedules Annexed to and forming part of Financial Statements

Year ended
March 31, 2010
Rupees

Year ended
March 31, 2009
Rupees

Schedule 7 : Other Income

Interest Income on Advances - Gross [Tax deducted at source Rs. 3,629,467 (Rs. 3,124,694)]	21,072,076	13,789,470
Dividend on Mutual Fund Units*	8,001,053	10,214,399
Profit on Redemption of Mutual Fund Units* * (On Current (Non-Trade) Investments)	92,291	-
	<u>29,165,420</u>	<u>24,003,869</u>

Schedule 8 : Employee Cost

Salaries, Wages and Bonus	18,953,784	12,248,506
Contribution to Provident Fund and other fund *	769,004	631,599
Gratuity *	320,282	103,020
Leave Encashment *	448,579	300,881
* Refer Note 11 of Schedule 11		
	<u>20,491,649</u>	<u>13,284,006</u>

Schedule 9 : Administration and Other Expenses

Rates and Taxes	311,500	-
Telephone Expenses	236,272	232,979
Printing and Stationery	203,374	186,881
Travelling and Conveyance Expenses	1,861,109	1,306,808
Auditors' Remuneration - As Auditors	1,300,000	650,000
Repairs and Maintenance - Others	296,969	557,041
Licence Fees	3,000,000	1,500,000
Membership Fees	416,667	100,000
Legal and Professional Charges	7,354,784	3,763,592
Miscellaneous Expenses	3,548,990	3,684,568
	<u>18,529,665</u>	<u>11,981,869</u>

Schedule 10 : Interest and Finance Charges

Interest Charges	-	30,659
Bank Charges	1,007,076	2,161,939
	<u>1,007,076</u>	<u>2,192,598</u>



Schedule 11 - Notes to the Financial Statements

1. Significant Accounting Policies:

(a) Basis of Preparation of Financial Statements:

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

(b) Revenue Recognition Policy:

Revenue from sale of energy is accounted for based on rates agreed with the customers on delivery of power. Compensation for deviation of energy is accounted as sales and purchase of energy, as the case may be, on its occurrence.

Other operational income includes:

- Margin earned on sale or purchase of energy through energy exchange which is recognised on the date of transaction with the exchange.
- Margin on banking transactions which is recognised on delivery of power.

Dividend on investments is accounted when the right to receive payment is established in the entity's favour.

(c) Fixed Assets:

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.

(d) Depreciation / Amortization:

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.

(e) Investments:

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

(f) Retirement Benefits:

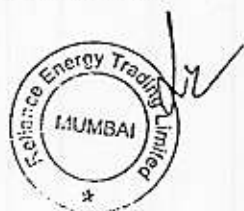
Contributions to defined contribution schemes such as provident fund, superannuation fund etc. are charged to profit and loss account. The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to profit and loss account based on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

(g) 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.

(h) Provisions:

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



Reliance Energy Trading Limited
Schedule annexed to and forming part of the Financial Statements

Schedule 11 - Notes to the Financial Statements (continued)

2. Managerial remuneration:

	August 1, 2009 to March 31, 2010	Year ended March 31, 2009
(i) Salary	Rupees 3,719,671	Rupees -
(ii) Contribution to Provident Fund	129,910	-
(iii) Contribution to Superannuation Fund	66,664	-
	3,916,245	-

The above remuneration excluded contribution to gratuity fund and provision for leave encashment on retirement paid/ payable to whole time director.

3. Increase in Authorised Share Capital:

Pursuant to approval of the Board of Directors and shareholders in their meeting held on March 31, 2010, the authorised share capital of the Company has been increased from 20,550,000 equity shares of Rs.10 each to 25,000,000 equity shares of Rs.10 each.

4. Issue of equity shares by rights issue:

Pursuant to approval of the Board of Directors and shareholders in their meeting held on March 31, 2010 the Company has issued and allotted by rights issue 100,000 equity shares of Rs.10 each at a premium of Rs.990 per share.

5. Segment Reporting:

The Company operates in a single segment namely "Trading in Power". Hence there is no reportable segment under Accounting Standard (AS17) "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006.

6. Quantitative information pursuant to clause (3)(II)(b) of Part II of Schedule VI:

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	Quantity (in Million Units)	Value (Rupees)	Quantity (in Million Units)	Value (Rupees)
Purchases	1,671.17	10,223,907,700	1,327.88	8,590,654,202
Less: Deviation	-	-	18.09	99,492,844
Net Purchases	1,671.17	10,223,907,700	1,309.79	8,491,161,358
Sales	1,671.17	10,325,102,280	1,327.88	8,644,101,428
Loss: Deviation	-	-	18.09	100,216,428
Net Sales	1,671.17	10,325,102,280	1,309.79	8,543,885,000

7. Related Party Disclosures:

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

(a) Parties where Control exists:

Holding Company: Reliance Infrastructure Limited (R Infra)

(b) Other related parties with whom transactions have taken place during the year:

Joint Ventures of the party mentioned at (a) above:

- (i) BSES Rajdhani Power Limited (BRPL)
- (ii) BSES Yamuna Power Limited (BYPL)



(c) Details of transactions during the year and closing balance

Particulars	Rupees		
	R Infra	BRPL	BYPL
Transactions during the year			
Sale of Energy	4,662,563,331 <i>1,663,658,424</i>	1,747,459,639 <i>618,180,481</i>	237,485,772 -
Other Operational Income	9,921,845 <i>4,044,045</i>	11,163,343 <i>1,262,690</i>	4,217,426 <i>2,327,604</i>
Purchase of Energy	181,447,174 <i>90,437,880</i>	19,175,538 <i>70,307,547</i>	5,261,980 <i>216,103,470</i>
Inter Corporate Deposits taken and repaid	150,000,000 <i>184,500,000</i>	-	-
Reimbursement of Expenses	164,900 <i>626,002</i>	-	-
Allotment of shares (including Share Premium)	100,000,000	-	-
Closing Balances			
Sundry Debtors	102,520,889 <i>5,100,776</i>	- <i>1,889,045</i>	- -
Sundry Creditors	-	77,233,332 -	27,739,544 <i>14,083,061</i>

Figures in italics represent previous year balances

(d) Key Management Personnel

Mahendra Kumar – Wholtime Director * (w.e.f. August 01, 2009)

* There are no transactions during the period except for remuneration paid aggregating Rs. 3,916,245.

8. Deferred Taxation:

	As at March 31, 2010	Rupees As at March 31, 2009
Deferred Tax Liability on account of:		
Difference in written down value between books and Income Tax Act, 1961	-	28,138
Deferred Tax Asset on account of:		
Difference in written down value between books and Income Tax Act, 1961	1,108	-
Provision for Gratuity and Leave Encashment	541,191	388,720
Not Deferred Tax Asset	542,299	360,582

9. Earnings Per Share:

	Year ended March 31, 2010	Year ended March 31, 2009
Profit for the year (Rupees) (A)	88,037,666	46,313,320
Weighted average number of equity shares (B)	20,649,728	20,550,000
Earnings per share – basic and diluted (Rupees) (A/B)	4.26	2.25
Nominal value of an equity share (Rupees)	10	10



Schedule 11 - Notes to the Financial Statements (continued)

10. Micro and Small Scale Business Entities:

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

11. Disclosure under Accounting Standard – 15 (revised 2005) Employee Benefits

The Company has classified various employee benefits as under

(A) Defined contribution plans

- (a) Provident fund
- (b) Superannuation fund
- (c) State defined contribution plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to 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 Trustees of Reliance Energy Trading Limited Officers Superannuation Scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognized the following amounts in the Profit and Loss Account for the year:

	Year ended March 31, 2010	Year ended March 31, 2009
	Rupees	Rupees
(a) Contribution to Provident Fund	589,475	475,365
(b) Contribution to Employees' Superannuation Fund	99,996	99,996
(c) Contribution to Employees' Pension Scheme 1995	74,117	51,880
(d) Contribution to Employees' State Insurance Scheme	5,416	4,358

(B) 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:

	Year ended March 31, 2010		Year ended March 31, 2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate (Per annum)	8.25%	8.25%	7.50%	7.50%
Rate of increase in Compensation levels	7.50%	7.50%	6.00%	6.00%
Rate of Return on Plan Assets	8.25%	8.25%	7.50%	7.50%
Expected Average remaining working lives of employees in no. of years	25	-	21	-



Reliance Energy Trading Limited
Schedule annexed to and forming part of the Financial Statements

Schedule 11 - Notes to the Financial Statements (continued)

	Gratuity		Rupees Leave Encashment	
	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2009
(i) Changes in present value of obligation				
Opening Balance of Present Value of Obligation Liability on transfer of Employees (Net)	519,782	352,862	1,143,628	842,747
Interest Cost	38,984	28,229	85,771	67,420
Past Service Cost	104,618	-	-	-
Current Service Cost	117,195	111,318	105,649	115,626
Actuarial (Gains) / Loss	70,502	16,558	257,159	117,835
Closing Balance of Present Value of Obligation	851,081	519,782	1,592,207	1,143,628
(ii) Changes in Fair Value of plan assets				
Opening Balance of Present Value of Plan Assets	838,098	663,561	-	-
Expected return on Plan assets	62,857	53,085	-	-
Employer's Contributions	-	121,452	-	-
Actuarial Gain / (Loss) on Plan assets	(51,840)	-	-	-
Closing Balance of Fair Value of Plan Assets	849,115	838,098	-	-
(iii) Percentage of each category of plan assets to total fair value of plan as at March 31, 2010				
Administered by Life Insurance Company Limited	100%	100%	-	-
(iv) Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
Closing Balance of Present Value of Obligation	851,081	519,782	1,592,207	1,143,628
Closing Balance of Fair Value of Plan Assets net of pending transfers	849,115	838,098	-	-
Funded (Asset) / Liability recognised in the Balance Sheet	1,966	(318,316)	-	-
Unfunded Liability recognised in the Balance Sheet	-	-	1,592,207	1,143,628
(v) Amounts recognised in the Balance Sheet				
Closing Balance of Present Value of Obligation	851,081	519,782	1,592,207	1,143,628
Closing Balance of Fair Value of Plan Assets net of pending transfers	849,115	838,098	-	-
Funded (Asset) / Liability recognised in the Balance Sheet	1,966	(318,316)	-	-
Unfunded Liability recognised in the Balance Sheet	-	-	1,592,207	1,143,628
(vi) Expenses recognised in the Profit and Loss Account				
Current Service Cost	117,195	111,318	105,649	115,626
Interest Cost	38,984	28,229	85,771	67,420
Past Service Cost	104,618	-	-	-
Expected Return on Plan Assets	(62,857)	(53,085)	-	-
Net Actuarial (Gain) / Loss	122,342	16,558	257,159	117,835
Total Expenses recognised in the Profit and Loss Account	320,282	103,020	448,579	300,881
(vii) Experience adjustments				
On Plan Liabilities	22,537	14,186	243,554	102,265
On Plan Assets	(51,840)	-	-	-
Total Experience Adjustments	74,377	14,186	243,554	102,265
Adjustments due to change in assumptions	47,965	2,372	13,805	15,570



Reliance Energy Trading Limited
Schedule annexed to and forming part of the Financial Statements

Schedule 11 - Notes to the Financial Statements (continued)

		Gratuity		Leave Encashment	
		Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2009
(viii)	Expected Employer's Contribution for the next year	125,000	-	-	-

Rupees

12. Power banking

During the year, the Company has received 389.79 million units (Previous year 103.27 million units) of power under banking arrangements which in turn have been banked with other parties on matching obligations. Against these transactions the Company has earned margin aggregating Rs. 13,555,168 (Previous year Rs. 6,321,131) which has been disclosed under other operational income in the financial statements. As at March 31, 2010, banking transactions representing 199.63 million units (103.27 million units as at March 31, 2009) have remained unsettled. In accordance with the Company's policy of accounting only margin on banking transactions, an asset and an equivalent liability for unsettled transactions has not been accounted for.

13. Information to the extent not disclosed with regards to the matters specified in paragraph 3,4,4A,4C and 4D of Part II of Schedule VI of the Companies Act, 1956 is either Nil or not applicable to the Company for the year ended March 31, 2010.

14. Previous year's figures have been regrouped/ rearranged wherever considered necessary to make them comparable to those for the current year.

Signatures to Schedule 1 to 11 forming part of the financial statements

For Chaturvedi & Shah
Firm Registration No : 101720W
Chartered Accountants

C.D.Lala
Partner
Membership No. 35671



For Price Waterhouse
Firm Registration No : 012754N
Chartered Accountants

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 13, 2010

For and on behalf of the Board

Ashish Tambawala
Director

Mahendra Kumar
Director

Place: Mumbai
Date: May 12, 2010