

2nd Annual Report

2008-09

**Tato Hydro Power Private Limited**

**Board of Directors**

Shri S Sankaran  
Shri Nandkumar Deo  
Shri Ashish Karyekar

**Auditors**

M/s PriceWater House  
M/s Chaturvedi & Shah

**Bankers**

ICICI Bank Limited  
State Bank of India, Mumbai  
State bank of India, Along

**Second Annual General Meeting**

Friday, July 24, 2009 at 4.00 p.m. at  
H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

**Registered Office**

H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710

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# Tato Hydro Power Private Limited

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## Notice

Notice is hereby given that the 2<sup>nd</sup> Annual General Meeting of the Members of Tato Hydro Power Private Limited will be held on Friday, July 24, 2009 at 4.00 p.m. at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, 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 Accounts for the financial year ended as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Nandkumar Deo, who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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 Price Waterhouse, Chartered Accountants and M/s Chaturvedi & Shah, Chartered Accountants, be and are hereby appointed as the 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.”

By Order of the Board

Sd/-  
Ashish Karyekar  
Director

### Registered Office:

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

Mumbai, April 21, 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. 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.

# Tato Hydro Power Private Limited

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## Directors' Report

To,  
The Members,

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

### Financial highlights

The highlights of the financial results are as under:

Particulars	2008-09	(Rupees)
		07.09.2007 to 31.03.2008
Total Expenditure	71,01,800	8,450
Profit/(Loss) Before Tax	(71,01,800)	(8,450)
Balance of profit/(loss) brought forward from previous year	(8,450)	-
Balance carried to Balance Sheet	(71,10,250)	(8,450)

### Operations

The Company is setting up a 700 MW hydro electric project on river Siyom, a tributary of river Siang. The project is situated in West Siang district of Arunachal Pradesh.

The project was awarded by the Government of Arunachal Pradesh on build, own, operate and transfer (BOOT) basis.

The Company is pursuing the necessary clearances and permissions required for the project with the authorities concerned and carrying out surveys, soil investigations, etc. related to the project.

### Dividend

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

### Fixed Deposits

The Company has not accepted any deposit from the public during the year under review.

### Authorised Share Capital

During the year under review, the authorised share capital of the Company has been increased from Rs. 1 Lakh to Rs. 100 crore divided into 10 crore equity shares of Rs.10 each effective from February 11, 2009.

### Directors

Shri Nandkumar Deo retires by rotation and is eligible for reappointment as director of the company.

### Personnel

During the year under review there was no employee drawing salary in excess of the limits set out under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of

Employees) Rules, 1975, as amended from time to time. Accordingly the required statement is not appended.

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

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

### **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed;
- (ii) the directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the loss of the Company for the said period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts for the financial year ended March 31, 2009 on a going concern basis.

### **Auditors**

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

### **Acknowledgement**

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

On behalf of the Board of Directors

Shri Sankaran Srinivasan  
Director

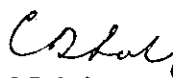
Shri Ashish Karyekar  
Director

Place : Mumbai  
Date : April 21, 2009

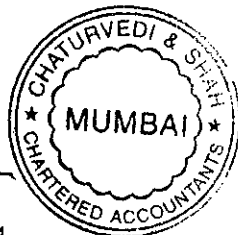
**AUDITORS' REPORT  
TO THE MEMBERS OF TATO HYDRO POWER PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of Tato Hydro Power Private Limited ('the Company') as at March 31, 2009 and the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Act;
  - e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the director of the Company is disqualified as on March 31, 2009 from being appointed as a director in terms of Section 274(1) (g) of the Act;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give, a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
    - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Chaturvedi & Shah**  
Chartered Accountants



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



Place : Mumbai  
Date : April 21, 2009

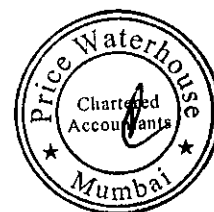
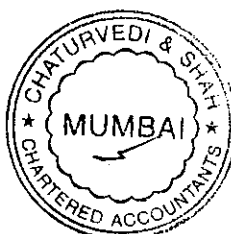
**For Price Waterhouse**  
Chartered Accountants



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

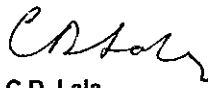
Place : Mumbai  
Date : April 21, 2009

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.  
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. According to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register required to be maintained under that section.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Order is not applicable to the Company for the current year.
7. The Central Government of India pursuant to the Cost Accounting Records (Electricity Industry) Rules, 2001 ('Rules') has prescribed maintenance of cost records prescribed under clause (d) of sub-section (1) of Section 209 of the Act to the Company. However, the Rules are not applicable to the Company, as the Company has not started commercial operations.
8. (a) According to the information and explanations given to us and books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, 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, 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. As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Order is not applicable to the Company for the current year.
10. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders 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. The Company has not given any guarantee for loans taken by others from banks or financial institutions.

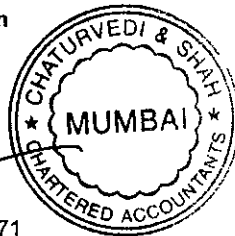


15. The Company has not obtained any term loans.
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
17. The Company has not made any preferential allotment of shares to parties and companies listed in the register maintained under Section 301 of the Act during the year.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by public issue during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the Management.
21. Clause (ii) of the Order is not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

For Chaturvedi & Shah  
Chartered Accountants



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



Place : Mumbai  
Date : April 21, 2009

For Price Waterhouse  
Chartered Accountants



Vivek Prasad  
Partner  
Membership No. F-104941

Place : Mumbai  
Date : April 21, 2009

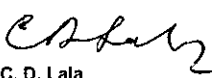
**Tato Hydro Power Private Limited**  
**Balance Sheet as at March 31, 2009**

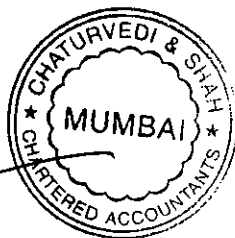
	Schedule	As at 31-03-2009		As at 31-03-2008	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1		100,000		100,000
Share Application Money	1A		133,900,000		-
<b>Loan Funds</b>					
Unsecured Loans	2		-		40,964,000
			<u>134,000,000</u>		<u>41,064,000</u>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	3		4,220,298		2,723,400
Less: Depreciation			<u>132,680</u>		<u>448</u>
Net Block			4,087,618		2,722,952
Capital Work - in - Progress	4		<u>178,136,520</u>		<u>45,897,506</u>
			182,224,138		48,620,458
<b>Current Assets, Loans and Advances</b>					
Cash and Bank Balances	5		1,193,409		6,422,442
Loans and Advances			-		<u>15,367,500</u>
			<u>1,193,409</u>		21,789,942
<b>Less: Current Liabilities and Provisions</b>					
Current Liabilities	6		<u>56,527,797</u>		<u>29,354,850</u>
<b>Net Current Assets</b>			<b>(55,334,388)</b>		<b>(7,564,908)</b>
<b>Profit and Loss Account</b>			<b>7,110,250</b>		<b>8,450</b>
			<u>134,000,000</u>		<u>41,064,000</u>
<b>Notes forming part of the Financial Statements</b>	7				

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

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

For Chaturvedi & Shah  
Chartered Accountants


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



For and on behalf of Board

  
S. Sankaran  
Director

For Price Waterhouse  
Chartered Accountants

  
Vivek Prasad  
Partner  
Membership No.: F 104941

  
Ashish Karyekar  
Director

Place: Mumbai  
Date : April 21, 2009

Place: Mumbai  
Date : April 21, 2009

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

	01-04-2008 to 31-03-2009	07-09- 2007 to 31-03-2008
Schedule	Rs.	Rs.
<b>EXPENDITURE</b>		
Preliminary Expenses	-	6,700
Professional Fees	-	1,750
Stamp Duty and Filing Fees	7,101,800	-
<b>Total</b>	<b>7,101,800</b>	<b>8,450</b>
<b>Loss before Taxation</b>	<b>7,101,800</b>	<b>8,450</b>
Provision for Taxation	-	-
<b>Loss after Taxation</b>	<b>7,101,800</b>	<b>8,450</b>
Balance of Loss brought forward from previous period	8,450	-
<b>Balance of Loss carried to Balance Sheet</b>	<b>7,110,250</b>	<b>8,450</b>
<b>Loss per share - basic and diluted</b> (Refer Note 5 on Schedule 7)	<b>710.18</b>	<b>0.85</b>


**Notes forming part of the Financial Statements**

7

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

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

For Chaturvedi & Shah  
Chartered Accountants

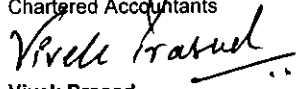
  
C. D. Lala  
Partner  
Membership No.: F 35671



For and on behalf of Board

  
S. Sankaran  
Director

For Price Waterhouse  
Chartered Accountants

  
Vivek Prasad  
Partner  
Membership No.: F 104941

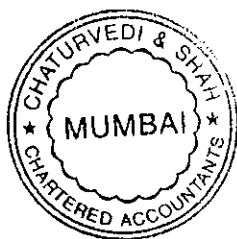
  
Ashish Karyekar  
Director

Place: Mumbai  
Date : April 21, 2009

Place: Mumbai  
Date : April 21, 2009

**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

	01-04-2008 to 31-03-2009 Rs.	07-09-2007 to 31-03-2008 Rs.
<b>Schedule 1: Share Capital</b>		
<b>Authorised:</b>		
100,000,000 (Previous Period 10,000) Equity Shares of Rs. 10 each (Refer Note 9 on Schedule 7)	<u>1,000,000,000</u>	<u>100,000</u>
<b>Issued, Subscribed and Paid up:</b>		
10,000 Equity Shares of Rs.10 each fully paid up (All the above shares are held by Reliance Power Limited, the Holding Company and its nominee)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Schedule 1A: Share Application Money</b>		
Share Application Money Pending Allotment (Refer Note 10 on Schedule 7)	133,900,000	-
	<u>133,900,000</u>	<u>-</u>
<b>Schedule 2: Unsecured Loans</b>		
Inter Corporate Deposit from Reliance Power Limited, the Holding Company [Payable within one year Rs. Nil (Previous Period Rs. 40,964,000)]	-	40,964,000
	<u>-</u>	<u>40,964,000</u>

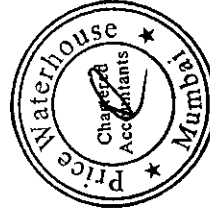
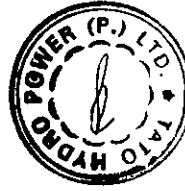
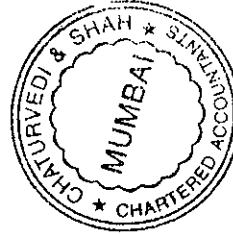


Tato Hydro Power Private Limited  
Schedules annexed to and forming part of the Financial Statements

Schedule 3: Fixed Assets

Rs.

Particulars	Gross Block		Upto 31-03-2008	Depreciation		Net Block	
	As at 01-04-2008	Additions during the year		As at 31-03-2009	For the year	As at 31-03-2009	As at 31-03-2008
Leasehold Land	2,723,400	123,556	448	51,245	51,693	2,795,263	2,722,952
Equipment	-	76,940	-	4,353	4,353	72,587	-
Plant and Machinery	-	25,699	-	1,019	1,019	24,680	-
Electrical Installations	-	124,525	-	26,713	26,713	97,812	-
Furnitures and Fixures	-	155,736	-	18,741	18,741	136,995	-
Vehicles	-	990,442	-	30,161	30,161	960,281	-
<b>Total</b>	<b>2,723,400</b>	<b>1,496,898</b>	<b>448</b>	<b>132,232</b>	<b>132,680</b>	<b>4,087,618</b>	<b>2,722,952</b>
Previous Period	-	2,723,400	-	448	448	2,722,952	-

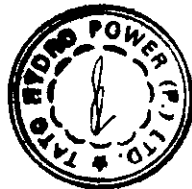


**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

**Schedule-4: Capital Work-in-Progress**

Rs.

	As at 01.04.2008	Incurred during the year	Capitalised/ Adjusted during the year	As at 31.03.2009
<b>A. Expenditure pending allocation</b>				
Bank and Corporate Guarantee Charges	19,869	6,451	-	26,320
Depreciation	448	132,232	-	132,680
Electricity Expenses	31,645	6,310	-	37,955
Printing and Stationery	82,870	45,675	-	128,545
Legal and Professional Charges	41,276,254	103,469,650	-	144,745,904
Rates and Taxes	3,611	27,471	-	31,082
Rent	468,000	882,000	-	1,350,000
Repairs and Maintenance - Others	543,997	355,131	-	899,128
Site Expenses	1,305,254	4,244,231	-	5,549,485
Social Welfare Expenses	-	78,100	-	78,100
Communication Expenses	114,987	70,154	-	185,141
Travelling and Conveyance	1,400,874	2,655,482	-	4,056,356
Premium Paid to Government	-	14,700,000	-	14,700,000
Miscellaneous Expenses	101,524	26,918	-	128,442
<b>Total</b>	<b>45,349,333</b>	<b>126,699,805</b>	<b>-</b>	<b>172,049,138</b>
<b>B. Balance of Advance against Capital Contracts</b>	<b>548,173</b>	<b>6,087,382</b>	<b>548,173</b>	<b>6,087,382</b>
<b>Total (A+B)</b>	<b>45,897,506</b>	<b>132,787,187</b>	<b>548,173</b>	<b>178,136,520</b>



**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

01-04-2008 to 31-03-2009 Rs.	07-09-2007 to 31-03-2008 Rs.
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**Schedule 5: Current Assets, Loans and Advances**

**Current Assets**

**Cash and Bank Balances**

Bank Balance with Scheduled Bank:

In Current Account

1,193,409	6,422,442
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1,193,409	6,422,442
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**Loans and Advances**

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

Deposits with Government Authorities

-	667,500
---	---------

-	14,700,000
---	------------

-	15,367,500
---	------------

**Schedule 6: Current Liabilities and Provisions**

**Current Liabilities**

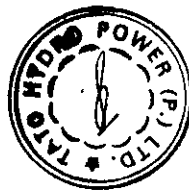
Sundry Creditors (Refer Note 6 on Schedule 7)

Other Liabilities

49,126,619	26,058,882
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7,401,178	3,295,968
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56,527,797	29,354,850
------------	------------



**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

**Schedule 7 – Notes forming part of the Financial Statements**

**1. Significant Accounting Policies:**

**a) Basis of Preparation of Financial Statements:**

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

**b) Fixed Assets and Capital Work-in-progress:**

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.

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

**c) Depreciation / Amortisation:**

Fixed assets are depreciated under the 'Straight Line Method' as per the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956. Leasehold land is amortised over the period of the lease.

**d) Accounting for Taxes on Income:**

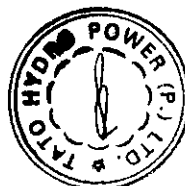
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively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

**e) Provisions:**

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

**f) Impairment of Assets:**

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



**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

**Schedule 7 – Notes forming part of the Financial Statements**

**2. Capital Commitments :**

Estimated amount of contracts remaining unexecuted on capital account and not provided for is Rs. 59,868,150 (Previous Period Rs. 1,644,511).

**3. Project status:**

Tato – II is a 700 MW Hydro Electric Project on River Siyom in West Siang District of Arunachal Pradesh and was awarded in February 2006 by the Government of Arunachal Pradesh (GoAP) on Build Own Operate and Transfer (BOOT) basis.

**4. Related Party Disclosure :**

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

**A. Parties where control exists :**

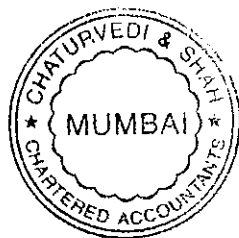
- Reliance Power Limited - Holding Company

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

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

**C. Enterprise over which, person having control over Investing party as defined in Clause B above, having significant influence:**

- Reliance General Insurance Company Limited



**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

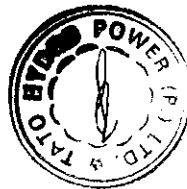
**Schedule 7 – Notes forming part of the Financial Statements**

**D. Details of transactions and closing balances during the year:**

(Rs.)

Particulars	April 01, 2008 to March 31, 2009	September 07, 2007 to March 31, 2008
<b>Transactions during the year:</b>		
<u>Inter Corporate Deposits</u>		
- Reliance Power Limited	92,936,000	40,964,000
<u>Conversion of Inter Corporate Deposit to Share Application Money</u>		
- Reliance Power Limited	133,900,000	-
<u>Reimbursement of Expenses incurred on our behalf</u>		
- Reliance Power Limited	372,499	1,400
- Reliance Infrastructure Limited	-	24,550,058
<u>Legal and Professional Charges</u>		
- Reliance Power Limited	3,075,780	-
- Reliance Infrastructure Limited	41,685,595	19,791,871
<u>Insurance Expenses</u>		
- Reliance General Insurance Company Limited	23,446	-
<u>Equity Share Contribution</u>		
- Reliance Power Limited	-	100,000
<b>Closing Balances:</b>		
<u>Inter Corporate Deposits</u>		
- Reliance Power Limited	-	40,964,000
<u>Equity Share Contribution</u>		
- Reliance Power Limited	100,000	100,000
<u>Share Application Money pending Allotment</u>		
- Reliance Power Limited	133,900,000	-
<u>Current Liabilities and Provisions</u>		
- Reliance Power Limited	727,310	1,400
- Reliance Infrastructure Limited	36,667,372	15,403,592

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



**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

**Schedule 7 – Notes forming part of the Financial Statements**

**5. Loss Per Share:**

Particulars	April 01, 2008 to March 31, 2009	September 07, 2007 to March 31, 2008
Loss after Tax (Rs.) (A)	7,101,800	8,450
Weighted Number of equity shares outstanding (B)	10,000	10,000
Basic and diluted Loss per share (Rs.) (A/B)	710.18	0.85
Nominal value of an equity share (Rs.)	10	10

**6. Micro, Medium and Small Scale Business Entities:**

There are no Micro, Medium and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2009. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7. 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.

**8. Auditors' Remuneration:**

Particulars	(Rs.)	
	April 01, 2008 to March 31, 2009	September 07, 2007 to March 31, 2008
Statutory Audit Fees	90,000	20,000

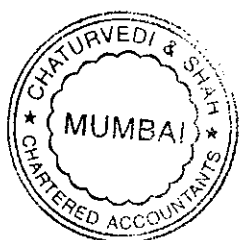
**9. Increase in Authorised Share Capital:**

Pursuant to the resolution passed by the Board of Directors in its meeting held on January 20, 2009 and approval of shareholders in an Extra Ordinary General Meeting (EGM) held on February 11, 2009, the authorised share capital of the Company has been increased from Rs. 100,000 (divided into 10,000 equity shares of Rs. 10 each) to Rs. 1,000,000,000 (divided into 100,000,000 equity shares of Rs. 10 each).

10. Pursuant to the resolution passed at the meeting held on March 30, 2009 of Board of Directors and based on the Letter of Intent dated March 28, 2009 received from Reliance Power Limited, unsecured loan aggregating Rs.133,900,000 received from Reliance Power Limited, now being converted to share application money and accordingly disclosed in the financial statements.

**11. Schedule VI – Paragraph 4C of Part II**

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



**Tato Hydro Power Private Limited**  
**Schedules annexed to and forming part of the Financial Statements**

**Schedule 7 – Notes forming part of the Financial Statements**

**12. Schedule VI – Part IV**


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

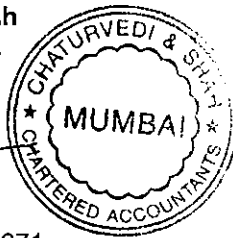
13. The Company was incorporated on September 07, 2007. Previous period figures pertain to period September 07, 2007 to March 31, 2008 and are not strictly comparable. Previous period figures are regrouped / reclassified wherever necessary.

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

**For Chaturvedi & Shah**  
Chartered Accountants

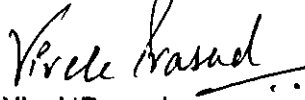
  
**C. D. Lala**  
Partner  
Membership No. : F 35671



**For and on behalf of the Board**

  
**S. Sankaran**  
Director

**For Price Waterhouse**  
Chartered Accountants

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

  
**Ashish Karyekar**  
Director

Place : Mumbai  
Date : April 21, 2009

Place : Mumbai  
Date : April 21, 2009

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

	01-04- 2008 to 31-03-2009 Rs.	07-09- 2007 to 31-03-2008 Rs.
<b>A Cash from / (used in) operating activities</b>		
Profit / (Loss) before Taxation	(7,101,800)	(8,450)
<b>Adjustment For:</b>		
Preliminary Expenses	-	6,700
Stamp Duty and Filing Fees	7,101,800	-
<b>Net Cash used in operating activities</b>	<u>-</u>	<u>(1,750)</u>
<b>B Cash from / (used in) Investing activities</b>		
Advance Recoverable in cash or kind or for value to be received	-	(667,500)
Capital Work in Progress (net)	(89,566,335)	(16,542,208)
Purchase of Fixed Assets	(1,496,898)	(2,723,400)
Deposits with Government Authorities	-	(14,700,000)
<b>Net Cash used in Investing activities</b>	<u>(91,063,233)</u>	<u>(34,633,108)</u>
<b>C Cash from / (used in) financing activities</b>		
Proceeds of Share Capital	-	100,000
Movement in Share Application Money (Net)	92,936,000	-
Proceeds from borrowings (Unsecured)	-	40,964,000
Preliminary Expenses	-	(6,700)
Stamp Duty and Filing Fees	(7,101,800)	-
<b>Net Cash from financing activities</b>	<u>85,834,200</u>	<u>41,057,300</u>
<b>Net ( Decrease ) / Increase In cash and cash equivalents ( A+B+C )</b>	<u>(5,229,033)</u>	<u>6,422,442</u>
Cash and Cash equivalents as at the commencement of the year / period <i>(Bank balance)</i>	6,422,442	-
Cash and Cash equivalents as at the end of the year / period <i>(Bank balance)</i>	1,193,409	6,422,442
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<u>(5,229,033)</u>	<u>6,422,442</u>

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

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

For Chaturvedi & Shah  
Chartered Accountants

*C. D. Lala*

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



For and on behalf of Board

*S. Sankaran*  
S. Sankaran  
Director

For Price Waterhouse  
Chartered Accountants

*Vivek Prasad*

Vivek Prasad  
Partner  
Membership No.: F 104941

*Ashish Karyekar*  
Ashish Karyekar  
Director

Place: Mumbai  
Date : April 21, 2009

Place: Mumbai  
Date : April 21, 2009

**Tato Hydro Power Private Limited**

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

**1. Registration Details**

Registration No.  State Code

Balance Sheet Date          
Date Month Year

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

Public Issue	Bonus Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Rights Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

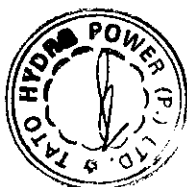
Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

**Sources of Funds**

Paid-up capital	Reserves and surplus
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Secured loans	Unsecured loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Share Application Money	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/>	

**Application of Funds**

Net fixed assets	Investments
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net current assets	Capital Work-in-progress
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="6"/>
Accumulated losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/>	



Tato Hydro Power Private Limited

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

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

Turnover (Total income)	Total Expenditure
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 7 1 0 2
+ / - Profit/(Loss) Before Tax	+ / - Profit/(Loss) After Tax
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - 7 1 0 2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - 7 1 0 2
(Please tick Appropriate box + for profit, - for loss)	
Earnings per Share (Rs) (on profit after taxes)	Dividend Rate %
<input type="text"/> - 7 1 0	<input type="text"/> N I L

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

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

For and on behalf of the Board

  
S. Sankaran  
Director

  
Ashish Karyekar  
Director

Place : Mumbai  
Date : April 21, 2009

# Tato Hydro Power Private Limited

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

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

DP id*	
Client id*	

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

Name and Address of the Shareholder

No. of Shares Held

I/We hereby record my/our presence at the 2<sup>nd</sup> Annual General Meeting of the Tato Hydro Power Private Limited held on Friday, July 24, 2009, at 4.00 p.m. at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.

\_\_\_\_\_  
SIGNATURE OF THE SHAREHOLDER OR PROXY

\*Applicable for investors holding shares in electronic form

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

PROXY FORM

# Tato Hydro Power Private Limited

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

DP id*	
Client id*	

Registered Folio No.	
No. of Shares Held	

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of Tato Hydro Power Private Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him, \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the 1<sup>st</sup> Annual General Meeting of the Company to be held on Friday, July 24, 2009 at 4.00 p.m. at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710 or at any adjournment thereof.

Affix revenue stamp Re 1
-----------------------------------

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

NOTE: The proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting. The Proxy need not be a member of the Company.