

TARINI INFRASTRUCTURE LTD.
D-2, AMAR COLONY, LAJPAT NAGAR-IV
NEW DELHI

SEVENTH ANNUAL REPORT

2010-2011

STATUTORY AUDITOR

VCG & CO.
CHARTERED ACCOUNTANTS
203, KUSAL BAZAR, 32-33,
NEHRU PLACE, NEW DELHI-110019

TARINI INFRASTRUCTURE LIMITED

Registered office: D-2, First Floor, Amar Colony, Lajpat Nagar – IV, New Delhi - 110024

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of **TARINI INFRASTRUCTURE LIMITED** will be held on Friday, September 30, 2011 at 10.00 A.M. at its Registered Office at D-2, First Floor, Amar Colony, Lajpat Nagar – IV, New Delhi - 110024 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the Year ended 31st March' 2011 and the Balance Sheet as on that Date, together with the Report of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Vellore Subramanian Suresh who is retiring by rotation and being eligible, offers himself to be re-appointed.
3. To appoint **M/s. V C G & CO.**, Chartered Accountants, New Delhi, the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

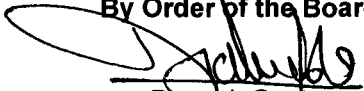
SPECIAL BUSINESS:

1. **To Consider and if thought fit, to pass, with or without modifications(s), the following resolution as an ordinary resolution:**

"RESOLVED that Mr. Tarun kumar Jayantilal Barot who was appointed as Additional Director by the Board pursuant to the Article of Association of the company and who hold office until the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company."

Date: 01.09.2011

Place: New Delhi

By Order of the Board

Deepak Gupta
(Company Secretary)

NOTES (forming part of the Notice):

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

ITEM NO. 1.

With a View to strengthen the Board of Directors of the Company, Mr. Tarun kumar Jayantilal Barot was appointed as an Additional Director of the company by the Board pursuant to the Article of Association of the Company and who holds office until the conclusion of this Annual General Meeting. Mr. Tarun kumar Jayantilal Barot is a qualified and experienced person and the company will be benefited with his experience and accordingly approval of the shareholders is sought of his appointment.

Mr. Tarun kumar Jayantilal Barot is deemed to be concerned or interested in the resolution as it pertains to his appointment.

TARINI INFRASTRUCTURE LIMITED

Registered office: D-2, First Floor, Amar Colony, Lajpat Nagar – IV, New Delhi - 110024

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Seventh Annual Report and Audited Accounts for the year ended March 31st, 2011.

OPERATIONS & FUTURE PROSPECTS:

During the year the company has achieved the Turnover of Rs. 5,45,75,338/- from the sale of electricity to GUVNL from its 3 MW Damanganga Small Hydro Project I in Gujarat. We have pleasure to announce that the Plant is running full capacity and is expected to exceed the targeted annual generation by end of its first year of commissioning in August 2011 shortly.

The company envisages a fruitful year ahead as the 2.65 MW Daman Ganga Small Hydro Power Project II shall also be commissioned by end of December 2011 earning valuable additional revenue of approx. 55 / 60 Lakhs per month by the sale of electricity to the Gujarat Urja Vikas Nigam (GUVNL), Govt. of Gujarat . The additional revenue will be utilized for future growth and remedies of your company.

The Company is poised to further expand and strengthen its hydro business avenues in Gujarat by way of taking up implementation of 4.5 MW Sabarmati HEP in Gujarat by beginning of year 2012 (Subject to statutory clearances). The Memorandum of Understanding (MOU) has already been signed for this prestigious project with the Govt. of Gujarat and the Detailed Project Report (DPR) has been compiled and submitted to the concerned Govt. Dept. for approval.

On the Transmission & Distribution (T&D) front, the company, has been successfully in joining hands with world renowned Isolux Group (Spain) execution of major T&D Projects in Mozambique and Tanzania. The projects are in final negotiation stage and shall be taken up by the company in phased manner from October 2011 onwards.

Your company is planning to bid through international competitive bidding for Sardar Sarovar Narmada Nigam limited Government of Gujrat projects for about 42 MW capacity under DBFOT basis. The company is hopeful to bag some of the projects in the SSNL main canal region under the said bidding if successful.

DIVIDEND:

Your Directors didn't recommend any dividend for the financial year 2010-11.

FIXED DEPOSITS:

During the year under report, your Company did not accept any deposits from the public in terms of Section 58A of the Companies Act, 1956.

DIRECTORS:

In accordance with the Article 107 of the Articles of Association of the Company read with section 255/256 of the Companies Act, 1956, Mr. Vellore Subramanian Suresh retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment to the office of the Directors on the Board of your Company, beside this there has been no change amongst the Board of Directors.

V. S. Suresh

CORPORATE GOVERNANCE & SOCIAL RESPONSIBILITY:

Your Company was basically in the business of Generation of hydro power and erection of Electric transmission lines and substation along with the consulting business in hydro power projects. It has started to develop corporate culture with the aim towards achieving social responsibilities. Your company being environment conscious and concerned towards global warming has decided to stay in generation of electricity through renewable energy resources only. Small and medium Hydro Projects being the focus of the company contributes towards green energy or called renewable clean energy i.e. power without any pollution. Even during the construction phase of Daman Ganga Power plants your company took adequate measures not to cut any trees and achieved an impossible feat of not cutting even a single tree for such a large scale project.

PARTICULARS OF EMPLOYEES:

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operation of the Company. During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended by the Company's (Amendment) Act, 1988 and hence no particulars are required to be disclosed in this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO:

As the Company is not carrying out any manufacturing activities, the issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.

	<u>2010-11</u>	<u>2009-10</u>
Foreign Exchange earning (Rs.) -	NIL	NIL
Foreign Exchange outgo (Rs.) -	NIL	Euro- 520,468.77

INDUSTRIAL RELATIONS:

The industrial relation during the year under reporting at all levels remained cordial. Your Directors' applaud the excellent contribution and efforts made by employees of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirmed the following in respect of the Audited Annual Accounts for the financial year ended on 31st March, 2011:

- (i) That in preparation of the annual accounts, the applicable accounting standards has been followed.
- (ii) That 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 for the financial year ended on 31st march, 2011 and the profit of the Company for the year ended on that date.
- (iii) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities.
- (iv) The annual accounts have been prepared on a "going concern" basis.

J. R. Ghosh

ACKNOWLEDGEMENT:

Your Directors' wish to place on record their appreciation for the assistance and co-operation that your Company received from the Company's bankers, advisor, customer and all others whose continued support has been a source of strength to the Company. Your Directors also wish to place on record their sincere appreciation for the devotion and dedicated efforts put in by the employees at all levels.

Date: 01.09.2011
Place: New Delhi

For and on behalf of the Board of Directors


(Managing Director)

VCG & Co.
Chartered Accountants

AUDITORS' REPORT

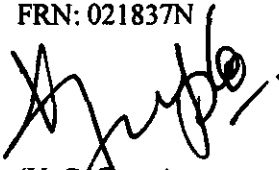
TO THE MEMBERS OF TARINI INFRASTRUCTURE LIMITED

1. We have audited the attached Balance Sheet of TARINI INFRASTRUCTURE LIMITED as at March 31, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. 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. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement for the year ended March 31, 2011 on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure to in paragraph 3 above, we state 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 these books;
 - c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report, are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;



- e) on the basis of the written representations received from the directors of the company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required 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, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the company for the year ended March 31, 2011.
 - iii) in the case of Cash Flow Statement of the cash flows of the company for the year ended March 31, 2011.

For V C G & Co.
Chartered Accountants
FRN: 021837N



(V. C. Gupta)
M. No. 93908
Partner



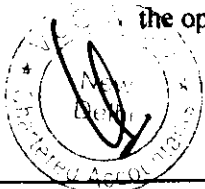
New Delhi, September 1, 2011

VCG & Co.

Chartered Accountants

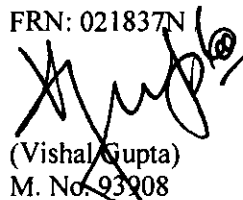
(Annexure referred to in paragraph 3 of the Auditors' report to the Members of Tarini Infrastructure Limited on the financial statements for the year ended March 31, 2011)

- 1 a) The Company is maintaining fixed assets records to show full particulars including quantitative details and situation of fixed assets.
b) According to the explanations and information given to us, the fixed assets are periodically verified by the management
c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the company during the year
- 2 a) As per information and explanations provided to us, the company does not have any inventory, therefore, the provisions of clauses 4(ii) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 3 a) According to the information and explanations given to us, 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, 1956.
b) According to the information and explanations given to us, the company has taken Interest free loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act, 1956. The amount aggregating to Rs. 160.11 Lacs was outstanding at the year end from 3 persons (Maximum amount during the year Rs.495.02 Lacs from 4 persons). In our opinion, the terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company. In respect of the aforesaid loan, there is no stipulation on the period within which such loan is repayable.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, services and fixed assets and with regard to sale of goods / services. Further on the basis of our examination and according to the information and explanation given to us, we have neither come across nor have been informed of any instance or major weaknesses in the aforesaid internal control system.
- 5 a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of Companies Act, 1956 and exceeding rupees five lakhs in respect of any party during the year. As explained by the management these transactions have been made at prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public. Consequently, the provisions of section 58A and 58AA of the Companies Act, 1956 the Companies (Acceptance of deposits) Rules, 1975 are not applicable.
- 7 In our opinion, the Company has internal audit system during the year commensurate with its size and its business.
- 8 We have broadly reviewed the books of account relating to material, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



- 9 a) According to the records of the company and information and explanation given to us, the Company, during the year, has generally been regular in depositing the undisputed statutory dues with the appropriate authorities. There are undisputed statutory dues of income tax amounting to Rs. 1.22 Lakhs of March 31, 2011 outstanding for the period of more than six months from the date they became payable.
- b) As on March 31, 2011 according to the information and explanations given to us, and records of the company, there are no undisputed amounts payable in respect of Income-tax, wealth tax, sales tax, service tax, customs duty and excise duty and cess matters that have not been deposited by the company.
- 10 The Company does not have accumulated losses at the end of the financial year March 31, 2011. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2011 and in the immediately preceding financial year.
- 11 According to the records of the company examined by us and the information and explanations given to us, the Company has defaulted in repayment of dues to financial institutions and banks during the year. The dues comprising principal and interest amounting to Rs. 320.82 Lacs became due and unpaid for 3 months as at March 31, 2011
- 12 According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Orders is not applicable.
- 13 In our opinion, as the company is not a chit fund/ nidhi / mutual benefit fund / societies, paragraph 4 (xiii) of the Orders is not applicable.
- 14 In our opinion, as the company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Orders is not applicable.
- 15 According to the information and explanations given to us, company has not given any guarantees for loans taken by other companies from banks or financial institutions and as such this clause is not applicable.
- 16 According to the information and explanations given to us, the term loans taken have been applied for the purpose for which they were raised.
- 17 According to the information and explanations given to us and on the an overall examination of the balance sheet of the company, we report that short term funds have not been used during the year to finance long term investments.
- 18 The company has not made any preferential allotment of shares during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised money by way of public issue during the year.
- 21 Based upon the audit procedures performed information and explanations given to us, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2011.

For V C G & Co.
Chartered Accountants
FRN: 021837N


(Vishal Gupta)
M. No. 93908
Partner



New Delhi, September 1, 2011

Tarini Infrastructre limited


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Year ended March 31, 2011
	Rs.(Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :	
Net profit/(loss) before tax	285,122
Adjustments for:	
Interest expense	35,001,964
Interest income	(957,798)
Operating profit/(loss) before working capital changes	34,329,289
Adjustments for change in :	
Trade and other receivables	27,878,350
Inventories	1,166,944
Trade payables	(2,481,705)
Cash generated from operations	60,892,877
Net cash (used) / from operating activities	60,892,877
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of fixed assets	(74,930,135)
Interest received	957,798
Net cash used in investing activities	(73,972,337)
C. CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from right issue (including share premium, net of issue expenses)	93,801,430
Proceeds from long term borrowings (net of FCCB issue expenses)	(31,362,169)
Repayment of long term borrowings <i>(Principal)</i>	(11,028,511)
Interest paid	(35,001,964)
Net cash from financing activities	16,408,785
Net increase/(decrease) in cash and cash equivalents	3,329,325
Cash and cash equivalents (opening balance)	
Cash and bank balances	930,347
Cash and cash equivalents (closing balance)	
Cash and bank balances	4,259,672
Total	<u>3,329,325</u>

Per our report attached to the balance sheet

For V C G & Co.
Chartered Accountants
Firm Registration No. 021837N

(Vishal Gupta)
Partner
Membership No. 093908



Date: September 1, 2011
Place: New Delhi

V. Chandrashekhar

V. Chandrashekhar
Managing Director

V. Anu Naidu

V. Anu Naidu
Director

Deepak Gupta
Deepak Gupta
Company Secretary



	Schedule no.	As at March 31, 2011 Amount (Rs.)	As at March 31, 2010 Amount (Rs.)
SOURCES OF FUNDS			
Shareholders Funds :			
Share capital	1	259,900,000	186,162,570
Reserves & surplus	2	257,521	-
Share application money		21,079,000	1,015,000
Loan Fund :			
Secured Loan	3	312,260,418	347,282,106
Unsecured Loan	4	19,499,401	51,261,353
		<u>612,996,341</u>	<u>585,721,029</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	5	369,598,272	1,603,788
Less : Accumulated depreciation		17,661,114	327,615
Net block		351,937,158	1,276,173
Add: Capital work in progress	6	188,345,760	456,674,179
		540,282,918	457,950,352
Add: Pre-operative Expenditure pending allocation	7	64,795,754	116,105,699
		<u>605,078,673</u>	<u>574,056,050</u>
Investment (Unquoted at cost)	8	17,396,000	7,000
Current Assets, Loans & Advances			
Inventories		-	1,166,944
Cash & bank balances	9	4,259,672	930,347
Sundry debtors	10	3,826,367	-
Loans & advances	11	19,909,197	49,624,758
		<u>27,995,236</u>	<u>51,722,048</u>
Less : Current Liabilities & Provisions			
Current Liabilities	12	39,030,848	41,517,669
		39,030,848	41,517,669
Net Current Assets		(11,035,612)	10,204,379
Miscellaneous Expenditure	13	1,557,280	1,453,600
		<u>612,996,341</u>	<u>585,721,029</u>

Significant Accounting Policies & Notes to the Accounts'

19

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached,

For V C G & Co.

Chartered Accountants

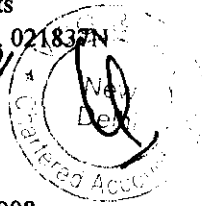
Firm Registration No. 021837N

(Vishal Gupta)

Partner

Membership No. 093908

Date: September 1, 2011



For and on behalf of the Board

V. Chandrashekhar

Managing Director

V. Anu Naidu

Director

Deepak Gupta

Company Secretary



TARINI

TARINI INFRASTRUCTURE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Schedule no.	Year Ended March 31, 2011 (Amount in Rs.)	Year Ended March 31, 2010 (Amount in Rs.)
INCOME :		
Sale of Electrical Energy	55,004,515	
Less: Discount on Prompt payment	(405,843)	
Less: Unscheduled interchange charges	(23,334)	
Turnover(net)	54,575,338	-
Other Income	14 26,740	-
TOTAL	54,602,078	-
EXPENDITURE :		
Personnel Expenses	15 6,025,890	-
Operation & Maintenance Expenses	16 5,351,014	-
Administration Expenses	17 8,913,370	-
Finance Charges	18 16,720,783	-
Depreciation	17,333,499	-
TOTAL	54,344,556	-
PROFIT BEFORE TAX	257,522	-
Provision For Tax		
Current Tax (MAT)	47,745	
Less: Credit Entitlement for MAT	(47,745)	
PROFIT AFTER TAX	257,521	-
Balance brought forward from previous year	-	-
Balance carried to Balance sheet	257,521	-
Basic and Diluted Earning per share (EPS)	0.03	-

Significant Accounting Policies & Notes to the Accounts 19

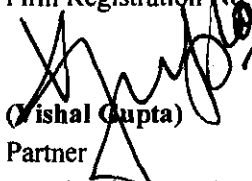
The Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date annexed

For VCG & Co.

Chartered Accountants

Firm Registration No. 021837N


(Vishal Gupta)
 Partner
 Membership No.093908




For and on behalf of the Board




V. Chandrashekhar
Managing Director

V. Anu Naidu
Director


 Vishal Gupta
 Company Secretary

New Delhi

Date: September 1, 2011



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2011 Amount (Rs.)	As at March 31, 2010 Amount (Rs.)
Share Holder Fund		
SCHEDULE - 1		
SHARE CAPITAL		
Authorized :		
2,60,00,000 Equity Shares of Rs. 10/- each (Previous year 2,50,00,000 Equity Shares of Rs. 10/- each)	260,000,000	250,000,000
Issued, subscribed & paid up Capital:		
2,59,90,000 (Previous Year 1,86,16,257) Equity Share of Rs10/- each (Includes, 12,78,700 Equity Share of Rs10/- issued at par in lieu of consideration for work executed at hydro Power Project pursuant to Agreement dated August 08, 2008 with M/S Real value Promoters pvt ltd.	259,900,000	186,162,570
	<u>259,900,000</u>	<u>186,162,570</u>
SCHEDULE - 2		
Reserves & Surplus		
Transferred from Profit & :Loss A/c	257,521	
	<u>257,521</u>	
Loan Fund		
SCHEDULE - 3		
SECURED		
Term Loan - I from Bank of India	172,187,938	175,374,370
Term Loan - II from Bank of India (Secured by way of hypothecation of Plant & machinery, Book debts, leased hold rights in land given by Government of Gujrat. The Loans are further Secured by Equitable mortgage of immovable property held by one of the shareholder, and personnel guarantee of founder promoters.	32,951,637	35,954,428
Custom Demand Loan - I from Bank of India	-	11,028,511
Custom Demand Loan - II from Bank of India (Secured by way of hypothecation of Plant & machinery, Book debts, leased hold rights in land given by Government of Gujrat. The Loans are further Secured by Equitable mortgage of immovable property held by one of the shareholder, and personnel guarantee of founder promoters.	8,173,754	33,583,114
Interest Accrued and Due	7,368,993	-
Buyer's Credit BOI Jersey (UK)	58,388,813	52,295,396
Buyer's Credit BOI Paris (France) (Foreign currency loans under Buyer's Credit are guaranteed by deferred payment guarantee issued by Bank of India)	33,189,283	39,046,287
	<u>312,260,418</u>	<u>347,282,106</u>
SCHEDULE - 4		
Unsecured Loans		
From Directors	4,238,671	9,722,518
From Others	15,260,730	41,538,835
	<u>19,499,401</u>	<u>51,261,353</u>



H. C. Shrivastava

[Signature]

[Signature]



Schedule 5 : Fixed Assets

Amount in Rs.

Particulars	Gross block (at cost)				Accumulated Depreciation				Net block	
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	As at April 1, 2009	For the year	Deductions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Roads		13,084,436	-	13,084,436	-	391,522	-	391,522	12,692,914	-
Plant & machinery										
Generating equipment		240,397,039	-	240,397,039	-	11,371,504	-	11,371,504	229,025,535	-
Transmission line & sub-station		114,388,605	-	114,388,605	-	5,410,926	-	5,410,926	108,977,679	-
Other Plant & Machinery	671,146	-	-	671,146	39,367	31,880	-	71,247	599,899	631,779
Office equipment	29,120	-	-	29,120	6,244	1,383	-	7,627	21,493	22,876
Computers	620,228	7,500	-	627,728	214,613	100,894	-	315,507	312,221	405,615
Furniture & Fixtures	128,632	116,904	-	245,536	27,251	10,696	-	37,947	207,589	101,381
Vehicles	154,662	-	-	154,662	40,140	14,694	-	54,834	99,828	114,522
Total	1,603,788	367,994,484	-	369,598,272	327,615	17,333,499	-	17,661,114	351,937,158	1,276,173
Previous year				1,603,788				327,615	1,276,173	

Note-1

Land admeasuring 4.8 Hectare for setting up the Captioned Hydro Power Project has been allotted by Government of Gujarat, on lease of 35 Years pursuant to the agreement dated August 27, 2007



Amr.
V. G. & Co.
[Signature]



TARINI INFRASTRUCTURE LIMITED

TARINI

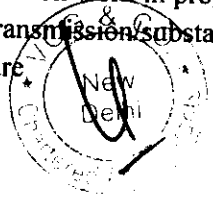
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2011 Amount (Rs.)	As at March 31, 2010 Amount (Rs.)
SCHEDULE - 6		
PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION		
Salaries, wages & benefits	4,603,898	17,878,214
Power & fuel	384,440	994,446
Traveling & conveyance	953,349	1,783,100
Telephone & Internet	61,083	354,794
Repair & maintenance	174,054	242,397
Printing stationery	54,000	89,128
Liquidated damages	2,799,000	-
Interest charges	10,130,976	39,758,719
Legal & professional expenses	6,777,930	102,875
Vehicle maintenance	-	230,492
Insurance	-	921,882
Rent / Lease rent	57,275	221,225
Audit fee	-	165,450
Fee & taxes	-	87,184
Bank Charges & other	893,335	-
Business promotion	-	6,057
Depreciation	-	153,998
Depreciation written back	-	(372,584)
Loss on sale of bulldozer	-	387,375
Testing and inspection charges	43,524	289,291
Miscellaneous expenses	144,555	577,631
Foreign exchange rate difference	975,610	-
	21,876,205	63,871,675
Less: Interest received on Custom & excise refund	931,058	551,626
	20,945,147	63,320,049
Add: Brought forward from previous year	116,105,699	52,785,650
	137,050,846	116,105,699
Less: Allocated to Power plant		
Generating equipment	58,298,380	-
Transmission line & Substation	20,133,535	-
Balance carried forward	64,795,754	-

SCHEDULE - 7

CAPITAL WORK IN PROGRESS

Detailed engineering construction drawing	1,505,935	3,595,520
Civil designing & execution expenditure	32,969,589	83,431,416
Hydro Mechanical expenditure	33,775,138	50,202,745
Roads & civil construction work in progress	1,297,892	13,084,436
Electro mechanical/transmission/substation/power evacuation expenditure	118,797,206	306,360,062
	188,345,760	456,674,179



Handwritten signatures and initials at the bottom of the page.



TARINI INFRASTRUCTURE LIMITED
SCHEDULES TO FINANCIAL STATEMENTS

TARINI

SCHEDULE - 8 INVESTMENT IN SHARES / DEBENTURE (LONG TERM)

Name of the Company	Face Value	As as March 31,2011		As as March 31,2010	
		No of Share /Debenture	Amount (Rs.)	No of Share /Debenture	Amount (Rs.)
UNQUOTED EQUITY SHARES (OTHER THAN TRADE)					
B.Soilmec India Pvt Ltd	10	335,000	3,350,000		
Venture Energy & Technologies Ltd	10	723,900	7,239,000		
Venture Infrastructure Ltd	10	680,000	6,800,000		
Tarini Hydro Power Lethso Ltd (Wholly owned subsidiary)	7	1,000	7,000	1,000	7,000.00
		<u>1,739,900</u>	<u>17,396,000</u>	<u>1,000</u>	<u>7,000</u>



T. V. & Associates. Am.
[Signature]

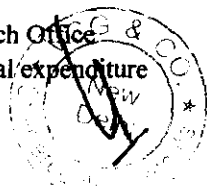
TARINI INFRASTRUCTURE LIMITED



TARINI

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULES TO FINANCIAL STATEMENTS

Particulars	As at	As at
	March 31, 2011	March 31, 2010
	Amount (Rs.)	Amount (Rs.)
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash in hand (as certified by the management)	3,739,583	12,913
Balance with scheduled banks		
-In Current Account	195,350	618,322
-In Deposit Account	324,739	299,111
	<u>4,259,672</u>	<u>930,347</u>
SCHEDULE - 10		
Sundry Debtors		
(Unsecured)		
Over Six month	-	-
Others		
Considered Good	3,826,367	-
	<u>3,826,367</u>	<u>-</u>
SCHEDULE - 11		
LOANS & ADVANCES RECOVERABLE IN CASH OR KIND		
Advances recoverable in cash or in kind or for value to be received		
-Good	18,679,027	11,916,893
Receivable	68,925	105,503
Deposits - others	1,113,500	1,113,500
MAT credit entitlement	47,745	-
Custom Duty Refund	-	33,472,149
Excise duty refund	-	3,016,713
	<u>19,909,197</u>	<u>49,624,758</u>
SCHEDULE - 12		
CURRENT LIABILITIES		
Sundry creditors	32,403,959	41,517,669
Other liabilities	1,369,780	-
Provisions for MAT	47,745	-
Other Provisions	5,209,364	-
	<u>39,030,848</u>	<u>41,517,669</u>
Schedule 13		
Miscellaneous expenditure		
Preliminary Expenses	26,880	33,600
Preliminary Expenses-Branch Office	110,400	-
Increase in authorised capital expenditure	1,420,000	1,420,000
	<u>1,557,280</u>	<u>1,453,600</u>



H. C. D. ...

[Handwritten signature]

Amu.



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2011 Amount (Rs.)
SCHEDULE - 14	
Other Income	
FDR with Karur Bank*	20,296
FDR with Bank Of India	6,444
* TDS - Rs. 1112/-	
	<u>26,740</u>
SCHEDULE - 15	
Personnel Expenses	
Salary, wages & bonus	4,793,572
Staff welfare & other benefit	586,738
Gratuity	645,580
	<u>6,025,890</u>
SCHEDULE - 16	
Operation & maintenance expenses	
Power & Fuel	229,617
Royalty Expenses	3,620,725
Repair & Maintenance	150,323
Inspection Charges	771,070
Site Expenditure	409,327
Rent charges for Staff Quarter	47,052
Lease rent	122,900
	<u>5,351,014</u>
SCHEDULE - 17	
Administration expenses	
Traveling & conveyance expenses	967,689
Vehicle running & maintenance	233,075
Postage & courier	50,584
Fees & taxes	90,009
Telephone & Internet expenses	292,900
Insurance	85,196
Legal & professional charges	2,212,315
Auditor's fee	
Statutory Audit Fees	220,600
Donation	500,000
Commission to directors	3,300,000
Miscellaneous expenses	926,683
Preliminary expenses written off	34,320
	<u>8,913,370</u>
SCHEDULE - 18	
Finance charges	
Interest	
Term Loan	11,495,870
Bank Charges	3,367,846
Guarantee Commission & Other Bank Charges	1,857,067
	<u>16,720,783</u>



[Handwritten Signature]

[Handwritten Signature]



Tarini Infrastructure Limited

Schedule -14: Notes to Accounts

1 Nature of Operations

Tarini Infrastructure Ltd hereinafter referred to as ("the Company") is engaged in the generation of electricity and development of Hydro Power Projects.

2 Statement of Significant Accounting Policies

a Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

b Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c Fixed Assets

- i) Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets during construction period included to the extent they relate to the period till such assets are ready to be put to use
- ii) Expenditure incurred on project/ asset during construction/implementation is capitalized and appointed to project/assets on commissioning.

d Depreciation

Depreciation on generating equipment and other related plant and machinery is provided as per "Differential Depreciation Approach" specified in CERC (Term and condition of tariffs), Regulation, 2009 @ 5.28% for the first 12 years of operation and remaining depreciation over balance useful life of the assets.

Depreciation on Roads is provided on straight line method @3.34% as specified in CERC (first amendment), Regulations, 2011.

Depreciation on all other asset is provided as straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.



V. P. G. ...
Amu
S. S. ...



e Revenue recognition

Revenue from sale of electrical energy is accounted for on the basis of billing to Gujarat Urja Vikas Nigam Limited (GUVNL) in accordance with the Power Purchase Agreement (PPA) dated 20-01-2008 executed between the company and GUVNL.

f Sale of Electricity

Basis of billable electricity to GUVNL which approximates the actual electricity transmitted.

g Interest

Revenue is recognized on a time proportion basis.

h Carbon Credit Rights(CCR):

Revenue is recognized as and when the CCR's are certified and sold and it is highly probable that the economic benefits will flow to the company being in renewable energy development. The project has been approved in list of CDM projects under clean development mechanisms and reduction in carbon emissions. Only 25% shall be given to the utility and 75% shall be available to the company as per power purchase agreement by national CDM authority, Ministry of Environment and Forest, Government of India.

i Investments

Investments are stated at cost. Dividend is accounted for as and when secured.

j Borrowing Costs.

Interest and other costs in connection with the borrowing of funds are capitalized upto the date when such qualifying assets are ready for its intended use and other borrowing costs are charged to Profit and Loss account.

k Foreign Currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

Conversion

All loans and differed credits repayable in foreign currency and outstanding at the close of the year are expressed in Indian currency at the date prevailing at the balance sheet.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting of such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

l Retirement and Other employee Benefits

Provision for Gratuity is determined on arithmetical calculation done on actual basis is charged off to the Profit and Loss Account.



J. R. G. ...
[Signature]



TARINI

m Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3. There is no separate reportable segment in accordance with the requirements of Accounting Standard 17 'Segment Reporting' issued by the Companies (Accounting Standard) Rules, 2006 in view of company's activities during the year are generation of electrical energy, hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

4. Income Tax:

The Company is eligible for tax holiday under Section 80-IA of the Income tax Act, 1961. In view of unabsorbed depreciation in the initial years, the Company has not availed the tax holiday benefit up to accounting year 2010-11. The Company is liable to pay Income-tax for the year under the provisions of Section 115JB of the Income-Tax Act, 1961.

5. Preliminary Expenses :

Expenditure shall be amortized over a period of five years after commencement of commercial production. The company has set up a Branch office at south Africa of which registration expenses has been amortized over a period of 5 years. The operation of the Branch office at south Africa is yet to be commenced.

6. The Company has obtained the concession from the Government of Gujarat to design, build, operate & maintain the project and sell power for a period of thirty five years from the date of signature of agreement i.e. 27.08.2007, after negotiation of terms and conditions with GUVNL.

7. Contingent Liabilities not provided for

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 200 Lacs.

Guarantee issued by company's banker in form of Bank Guarantee of Rs 2.60 Lacs.(previous year Rs 2.60 lacs).

Mortgage of lease hold rights of 4.8 hectare of land lease to the company at project site in Gujarat, by Government of Gujarat.



8. In the opinion of the Board of Directors the current assets, loans and advances have a value on realisation in the ordinary courses of business, at least equal to the amount at which they are stated in the balance Sheet.
9. The company has not received any information from suppliers regarding their status under Micro, Small & Medium Enterprises development Act, 2006.
10. The Company has started generation of Electrical energy w. e. f. August 5, 2010. Therefore corresponding figures of previous year in the profit and loss account is not there.
11. Deferred tax provision has not been made in view of the availability of tax holiday u/s 80-IA of Income tax Act, 1961

12. **Subsidy eligibility:**

The project is eligible for capital subsidy in accordance with the policy of Ministry of Non-conventional Energy Scheme (MNES), Government of India and the company has made an application for availment of the capital subsidy of Rs 200 lacs (estimated).

13. An amount of Rs 1,652,240 has not been accounted for, on account of dispute for determination of tariff charges between the company and Gujarat Urja Vikas Nigam Limited. The invoices have been raised under protest subject to outcome of Honorable Tribunal.

14. **Related Party Disclosures:**

(a) **Key Management Personnel –**

Director, V. Chandrashekhar Naidu.
 Director, Anu Naidu.
 Director, V S Suresh.
 Director, V S Sarvanan.

(b) **Enterprises over which directors exercise significant influence / control**

M/s Tarini International Private Limited,
 M/s Tarini Hydro Power Lesotho Limited

	Mar-11	Mar-10	Mar-11	Mar-10
Commission Paid				
a) Mr. Vakamulla Chandrashekhar				
b) Mrs. Vakamulla Anu Naidu				
Closing Balance at the year end.				
a) Mr. Vakamulla Chandrashekhar	2,145,427	866,806		
b) Mrs. Vakamulla Anu Naidu	1,485,000	Nil		
c) Mr. Vellore Subramanian Suresh	3,591,243	8,855,771		
Tarini International Limited (formely known as Tarini International P Ltd)			11,760,730	32,871,704
Venture Infrastructure Limited			280,479	Nil
B. Soilmec India Private Limited			140,504	Nil
Venture Energy & Technologies Limited			3,765,169	Nil
Tarini Sugars & Distilleries Limited			14,500	Nil

V. Chandrashekhar Naidu
Anu Naidu



Tarini Overseas Mining and Operations Ltd.			231,500	Nil
Tarini Humanitarian Demining And Rehabilitation works.			153,500	Nil

15. Additional information pursuant to the provision of paragraph 3 and 4 of part II of schedule VI to the companies Act, 1956:

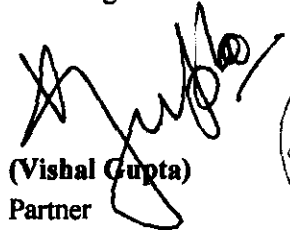
Capacity and production

(As certified by the management)

Installed Annual Capacity-	5600 KW
SHPI under Generation	3000 KW
SHPII (Commercial production yet to come)	2600 KW
Actual Units generated- (SHP-I)	15.74 GWH
(During the period August 5, 2010 to March 31, 2011)	

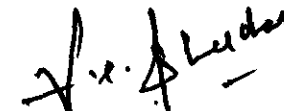
16. Corresponding figures for the previous year have been regrouped / rearranged, wherever necessary to conform to current year classification.

For V C G & Co.
Chartered Accountants
Firm Registration No. 021837N


(Vishal Gupta)
Partner

Membership No. 093908




V. Chandrashekhar
Director


V. Anu Naidu
Director


Deepak Gupta
Company Secretary

New Delhi

Date: September 1, 2011