

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

NINTH ANNUAL REPORT

2012-2013

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 Ninth Annual General Meeting of the Members of **TARINI INFRASTRUCTURE LIMITED** will be held on Monday, September 30, 2013 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 31<sup>st</sup> March' 2013 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. Tarun Kumar Jayantilal Barot 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.

Date: 02.09.2013

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.

# **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 Ninth Annual Report and Audited Accounts for the year ended March 31st, 2013.

### **OPERATIONS & FUTURE PROSPECTS:**

During the year the company has achieved the Turnover of Rs. 7,50,87,047/- from the sale of electricity to GUVNL from its 3 MW Damanganga Small Hydro Project I in Gujarat

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 November 2013 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 extends its hearty thanks to Bank of India Chennai along with their officials for granting additional Term Loan as to enable your Company to commission the SHP II.

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 2014 (subject to approval of the Detailed Project Report applied with the concerned Dept. of Govt. of Gujarat). The Memorandum of Understanding (MOU) has already been signed for this prestigious project with the Govt. of Gujarat.

The Company is also envisaging another small hydro scheme adjacent to SHP I namely, Daman SHP III for which the pre feasibility report has been prepared and submitted to the concerned Dept. of Govt. of Gujarat for review and approval. .

### **DIVIDEND:**

Your Directors didn't recommend any dividend for the financial year 2012-13.

### **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. Tarun Kumar Jayantilal Barot retire 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.

### **STATUTORY AUDITORS:**

The Auditors Report along with Accounts and their Notes are self-explanatory and do not require any further explanation or clarification.

The Auditors of the Company *M/s. V C G & CO.*, Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and have given their consent for re-appointment. A certificate under Section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

*N. e. G.*



## **COST AUDITOR:**

As required under the Companies Act, the Company has appointed **M/S HMVN & ASSOCIATES** as the Cost Auditors for its Power Generation units "Daman Ganga- I (3MW) and Daman Ganga- II (2.6MW) for the year 2013-14.

## **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>2012-13</u>	<u>2011-12</u>
Foreign Exchange earning (Rs.) -	NIL	NIL
Foreign Exchange outgo (Rs.) -	NIL	NIL

## **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 31<sup>st</sup> March, 2013:

- (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 31<sup>st</sup> march, 2013 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.

*(Handwritten signature)*

**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:** 02.09.2013

**Place:** New Delhi

**For and on behalf of the Board of Directors**



**(V. Chandrashekhar)  
Chairman**

**INDEPENDENT AUDITORS' REPORT**

**To the Members of TARINI INFRASTRUCTURE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of TARINI INFRASTRUCTURE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

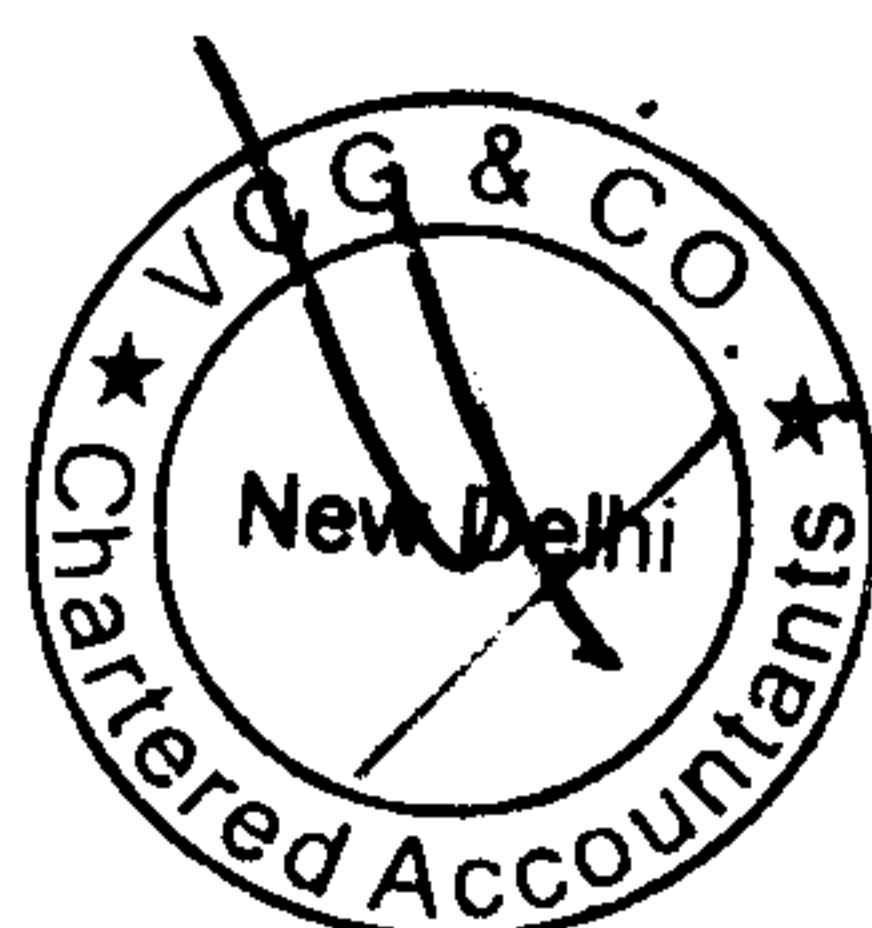
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



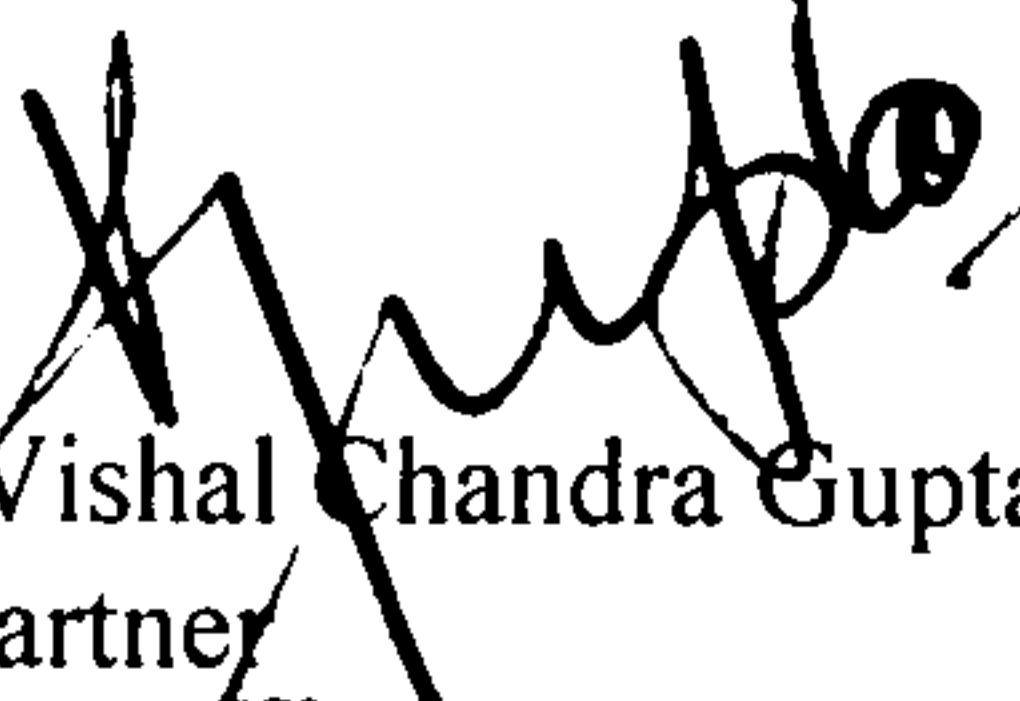


- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For V C G & CO.  
Chartered Accountants  
(Firm Registration No. 021837N)

  
(Vishal Chandra Gupta)  
Partner  
Membership No: 093908



Place: New Delhi  
Date: September 02, 2013

### **Annexure to the Auditors' Report**

(Referred to in paragraph (1) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

- 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, no substantial part of fixed assets has 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 granted interest free loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act, 1956. The amount aggregating to Rs.114.44 Lacs was outstanding at the year end from one person (Maximum amount during the year Rs. 115.44 Lacs ). In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.  
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. 65.70 Lacs was outstanding at the year end from 3 persons (Maximum amount during the year Rs. 86 Lacs). 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 adequate 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. 1.92 Lakhs of March 31, 2013 outstanding for the period of more than six months from the date they became payable.
- b) As on March 31, 2013 according to the information and explanations given to us, and records of the company, there are no disputed 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, 2013. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2013 and in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to banks as stated below:

Installment (Rs.) comprising Principal & Interest	28.21 Lacs	28.21 Lacs	28.21 Lacs	28.21 Lacs	9.26 Lacs	8.54 Lacs	19.67 Lacs	2.33 Lacs	25.88 Lacs	28.21 Lacs	28.21 Lacs	9.70 Lacs	18.51 Lacs
Period of delay (Days)	123	92	62	31	85	54	97	67	120	89	58	30	31

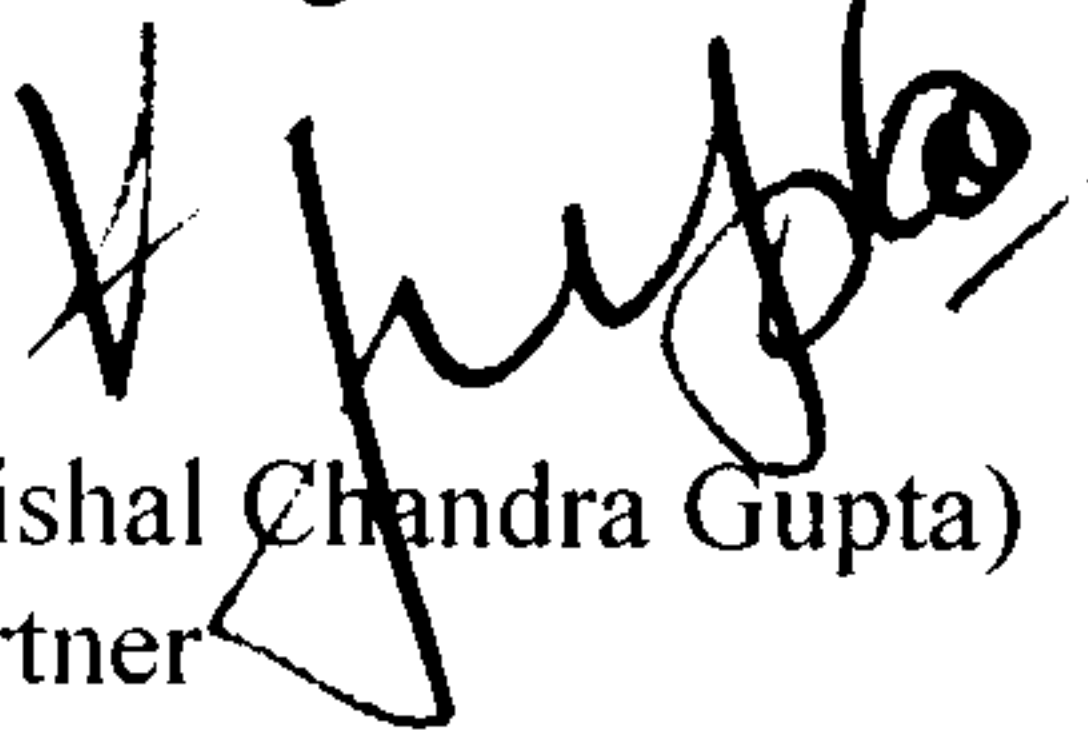
- 12 According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Orders is not applicable.
- 13 In our opinion, as the company is not a chit 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, 2013.

For V C G & CO.  
Chartered Accountants  
(Firm Registration No. 021837N)

  
(Vishal Chandra Gupta)  
Partner  
Membership No: 093908



Place: New Delhi  
Date: September 02, 2013



**Tarini Infrastructre Limited**

**Cash Flow Statement for the year ended March 31, 2013**

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
<b>A. Cash flow from Operating Activities</b>		
Profit after Tax	453,315	429,143
<b>Adjustments for:</b>		
Depreciation	19,102,719	19,343,461
Interest expenses	24,445,684	22,768,060
Interest income	(34,083)	(372,505)
<b>Operating profit before working capital changes</b>	<b>43,967,635</b>	<b>42,168,159</b>
<b>Working Capital Changes</b>		
Decrease/(Increase) in current assets	(9,241,859)	(5,685,029)
Increase/(Decrease) in current liab	28,930,018	(6,378,250)
<b>Cash flow from Operating Activities (A)</b>	<b>63,655,794</b>	<b>30,104,880</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of fixed assets	9,992,816	(580,625)
Capital expenditure pending allocation	(30,596,052)	(17,244,911)
Investment purchase	-	6,800,000
Interest Income	34,083	372,505
Increase in pre-operative Exp	319,320	(2,796,175)
<b>Cash flow from Investing Activities (B)</b>	<b>(20,249,833)</b>	<b>(13,449,206)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds/(Repayment) of secured Loan	(18,522,214)	4,157,314
Proceeds/(Repayment) of unsecured Loan	10,280	(840,535)
Interest exp	(24,445,684)	(22,768,060)
<b>Cash flow from Financing Activities (C)</b>	<b>(42,957,617)</b>	<b>(19,451,281)</b>
<b>Net Increase In Cash &amp; Cash Equivalent (A+B+C)</b>	<b>448,344</b>	<b>(2,795,607)</b>
Opening cash & cash equivalents	1,464,065	4,259,672
Closing cash & cash equivalents	1,912,408	1,464,065
	0	0

As per our report of even date attached.

**For V C G & CO.**

Chartered Accountants

FRN - 021837N

(Vishal Chandra Gupta)

Partner

Membership No. 093908

New Delhi

Date: September 2, 2013



**FOR AND ON BEHALF OF THE BOARD**

*V. C. Chandrashekar*  
Vakamulla Chandrashekar  
Managing Director

*V. Anu Naidu*  
V. Anu Naidu  
Director

*Deepak Gupta*  
Deepak Gupta  
Company Secretary



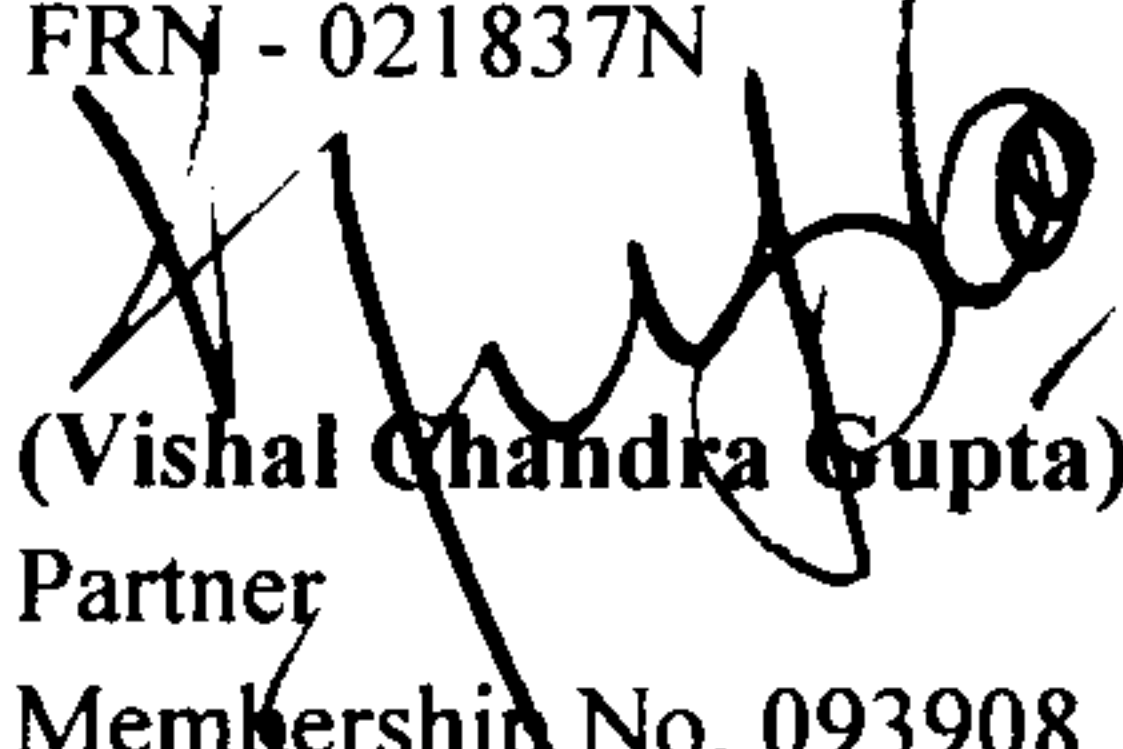


**TARINI INFRASTRUCTURE LIMITED**  
**Balance Sheet as at March 31, 2013**

				(Amount in Rs.)
Particulars	Note Reference	As at March 31, 2013	As at March 31, 2012	
<b>I EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
Share capital	2	259,900,000	259,900,000	
Reserve and surplus	3	1,139,978	686,664	
		<b>261,039,978</b>	<b>260,586,664</b>	
<b>2 Non-current liabilities</b>				
Long - term borrowings	4	259,164,026	277,686,239	
Long-term provisions	5	1,222,845	1,212,565	
<b>Total non-current liabilities</b>		<b>260,386,871</b>	<b>278,898,804</b>	
<b>3 Current liabilities</b>				
Short-term borrowings	4	9,071,542	11,266,359	
Other current liabilities	6	129,800,230	98,524,248	
Short-term provisions	5	103,568.00	118,785	
<b>Total current liabilities</b>		<b>138,975,340</b>	<b>109,909,392</b>	
<b>Total</b>		<b>660,402,189</b>	<b>649,394,861</b>	
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
Fixed assets				
• - Tangible assets	7(a)	304,078,787	333,174,322	
- Capital work in progress	7(b)	300,982,477	270,386,425	
Non - current investments	8	10,596,000	10,596,000	
Long - term loans and advances	9	11,167,794	11,067,794	
Other non - current assets	10	4,034,135	4,353,455	
<b>Total non-current assets</b>		<b>630,859,193</b>	<b>629,577,997</b>	
<b>2 Current assets</b>				
Trade Receivables	11	8,497,004	7,826,583	
Cash and cash equivalents	12	1,912,408	1,464,065	
Short - term loans and advances	9	19,133,584	10,526,217	
<b>Total current assets</b>		<b>29,542,996</b>	<b>19,816,864</b>	
<b>Total</b>		<b>660,402,189</b>	<b>649,394,861</b>	

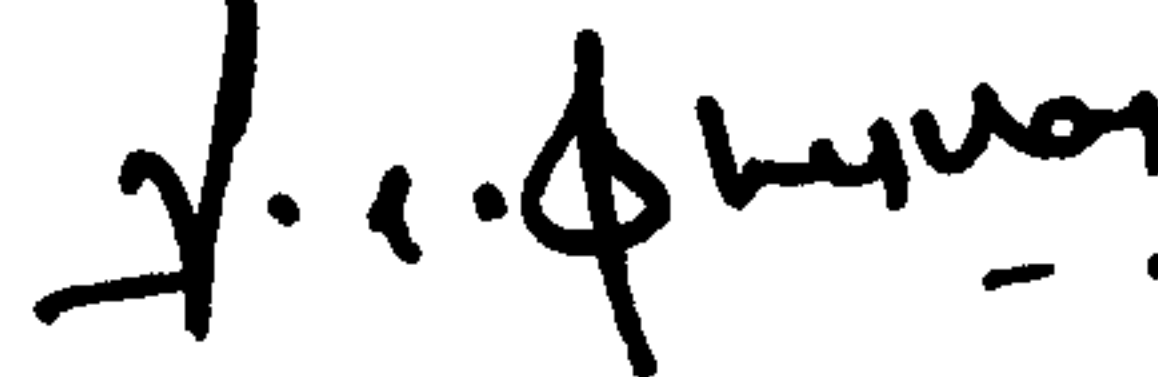
**Significant Accounting Policies (Refer Note 1) and various notes on Financial Statements are an integral part of Financial statements**


As per our report of even date attached.

For V C G & CO.  
Chartered Accountants  
FRN - 021837N  
  
(Vishal Chandra Gupta)  
Partner  
Membership No. 093908  
New Delhi  
Date: September 2, 2013



FOR AND ON BEHALF OF THE BOARD

  
Vakamulla Chandrashekhar  
Managing Director

  
V. Anu Naidu  
Director

  
Deepak Gupta  
Company Secretary

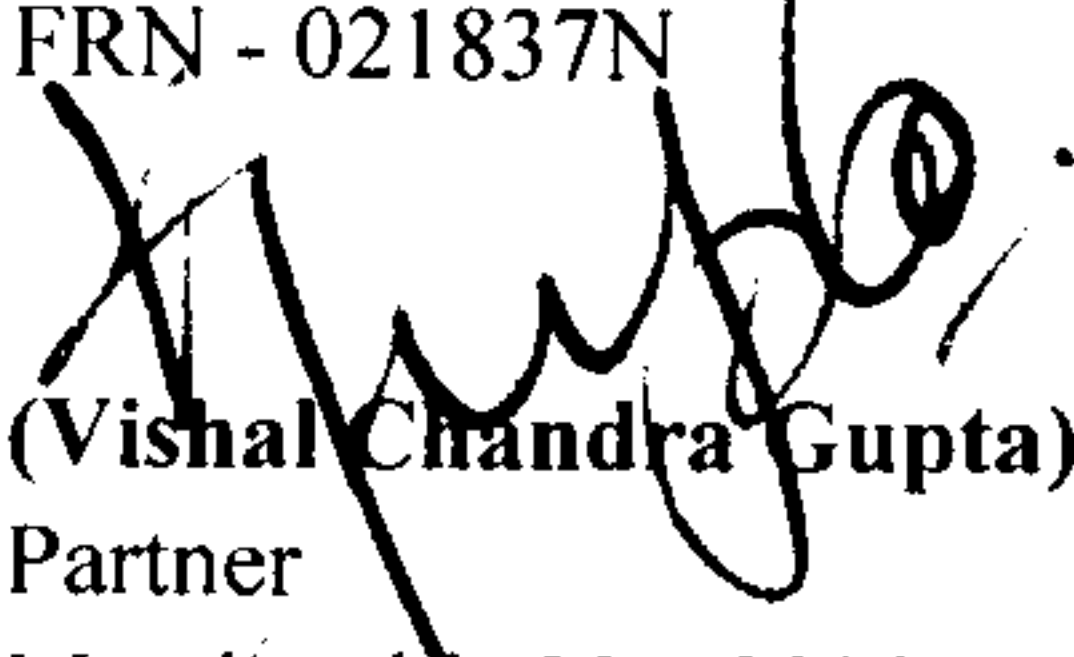


**TARINI INFRASTRUCTURE LIMITED**  
**Profit and loss statement for the year ended March 31, 2013**

Particulars	Note Reference	(Amount in Rs.)	
		As at March 31, 2013	As at March 31, 2012
<b>Income</b>			
Revenue from operations	13	75,087,047	66,737,748
Other income	14	34,083	372,505
		<b>75,121,130</b>	<b>67,110,253</b>
<b>Expenditure</b>			
Employee benefit expenses	15	8,509,442	9,753,398
Finance costs	16	24,445,684	25,523,784
Depreciation and amortization expense	7(a)	19,102,719	19,343,461
Other expenses	17	22,609,970	12,060,467
		<b>74,667,815</b>	<b>66,681,110</b>
<b>Profit before tax</b>		453,315	429,143
<b>Tax expense:</b>			
	<u>Current year</u>	<u>Previous year</u>	
Current tax (MAT)	103,568	118,785	
Less: Credit Entitlement for MAT	(103,568)	(118,785)	
<b>Net profit for the year</b>		<b>453,315</b>	<b>429,143</b>
Earning per Equity Share of Rs 10 each Basic and Diluted (Rupees)	18	0.02	0.03

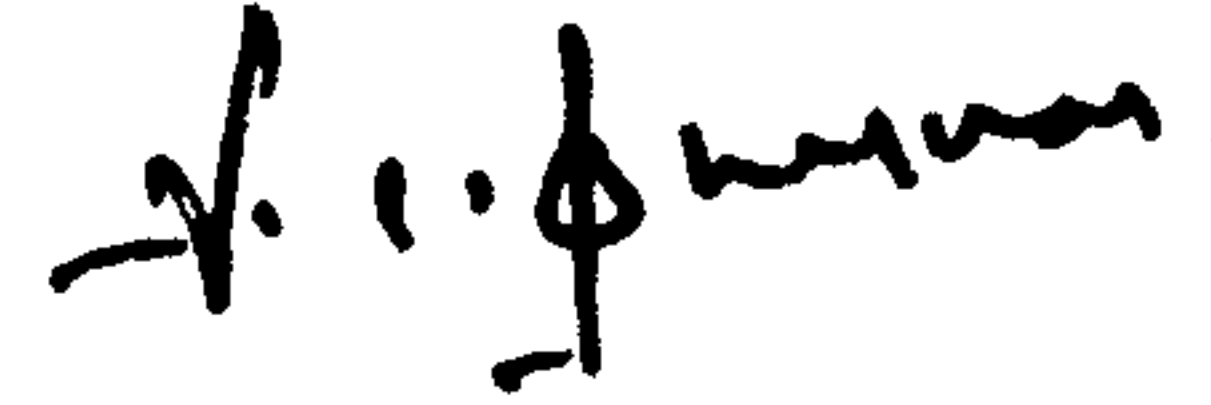
**Significant Accounting Policies (Refer Note 1) and various notes on Financial Statements are an integral part of Financial statements**


As per our report of even date attached.

**For V C G & CO.**  
Chartered Accountants  
FRN - 021837N  
  
(Vishal Chandra Gupta)  
Partner  
Membership No. 093908  
New Delhi  
Date: September 2, 2013



**FOR AND ON BEHALF OF THE BOARD**

  
Vakamulla Chandrashekar  
Managing Director

  
V. Anu Naidu  
Director

  
Deepak Gupta  
Company Secretary



## TARINI INFRASTRUCTURE LIMITED

### Note 1 - Significant Accounting Policies and Notes forming part of the financial statements

#### I. Background

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

#### II. Significant accounting policies

##### A Basis of accounting and preparation of financial statements

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 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 and differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### 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 apportioned 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.







## 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.

### i) Sale of Electricity

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

### ii) Interest

Revenue is recognized on a time proportion basis.

### iii) 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.

## F Investments

The Long-term investments are shown at cost which comprises of cost of acquisition and related expenses. Provision for diminution in value of investments is made only if in the opinion of the management such decline is other than temporary and is provided for each investment individually.

## G 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.

## H 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 deferred 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 date.

### 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.





**I Retirement and other employee benefits**

Provision for Gratuity is determined on arithmetical calculation done on actual basis and charged off to the Statement of profit and loss.

**J 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.

**K 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.



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A handwritten signature in black ink, appearing to be "S. S. S.", written above the circular stamp.

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**TARINI INFRASTRUCTURE LIMITED**  
**Notes to the Financial Statements**

(Amount in Rs.)		
	As at March 31,2013	As at March 31,2012
<b>NOTE 2 - SHARE CAPITAL</b>		
<b>Authorised</b>		
2,60,00,000 (Previous year- 2,60,00,000) equity shares of Rs. 10 each	260,000,000	260,000,000
<b>Issued, subscribed and fully paid up</b>		
2,59,90,000 (Previous year- 2,59,90,000) equity shares of Rs. 10 each, fully paid	259,900,000	259,900,000
<b>Total</b>	<b>259,900,000</b>	<b>259,900,000</b>

i. Of the issued subscribed and fully paid up capital following equity shares of 10 each were allotted as fully paid up without payment being received in cash.

- 12,78,700 ( Previous year - 12,78,700) equity shares allotted to shareholders of erstwhile M/S Real value Promoters Pvt Ltd at par in lieu of consideration for work executed at Hydro Power Project pursuant to Agreement dated August 08,2008.

ii. The reconciliation of number of shares outstanding is set out below

	As at March 31,2013	As at March 31,2012
<b>Equity Shares</b>		
Number of outstanding shares at the beginning of the year	25,990,000	25,990,000
Shares issued/ bought back during the year	-	-
Number of outstanding shares as at the end of the year	25,990,000	25,990,000

iii. The details of shareholders holding more than 5 percent shares

Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Percentage held	No. of Shares	Percentage held
M/s Tarini International Limited	8,436,000	32.46	8,436,000	32.46
Mr. Vellore Subramanion Suresh	7,994,903	30.76	7,994,903	30.76
Mr. Vakamulla Chandrashekhar	2,928,400	11.27	2,928,400	11.27
Real Value Promoters Private Limited	1,928,700	7.42	1,928,700	7.42

**NOTE 3 - RESERVES AND SURPLUS**

	As at March 31,2013	As at March 31,2012
<b>Surplus / (Deficit) - Balance in Statement of Profit and Loss</b>		
As per last Balance Sheet	686,664	257,521
Add: Transferred from Profit & Loss statement	453,314	429,143
<b>Total</b>	<b>1,139,978</b>	<b>686,664</b>



*[Handwritten signatures and initials]*





**TARINI INFRASTRUCTURE LIMITED**  
**Notes to the Financial Statements**

(Amount in Rs.)

**NOTE 4 - BORROWINGS**

	As at 'March 31, 2013		As at 'March 31, 2012	
	Long-term	Short-term	Long-term	Short-term
<b>Secured</b>				
Term loans				
- From banks	278,664,026	-	309,048,739	-
	<b>278,664,026</b>	<b>-</b>	<b>309,048,739</b>	<b>-</b>
<b>Unsecured</b>				
Loans and advances from related parties	-	6,570,600	-	9,765,417
Others	1,700,000	2,500,942	2,500,000	1,500,942
	<b>1,700,000</b>	<b>9,071,542</b>	<b>2,500,000</b>	<b>11,266,359</b>
Less:- Current maturities of long term debts	21,200,000	-	33,862,500	-
<b>Total</b>	<b>259,164,026</b>	<b>9,071,542</b>	<b>277,686,239</b>	<b>11,266,359</b>

**i. Details of Term Loans:**

**From Banks-**

Loan (Rs in Lacs)	Security	Interest	Repayment Terms
2363.6	Secured by way of hypothecation of Plant & machinery, Book debts, leased hold rights in land given by Government of Gujarat. The Loans are further secured by equitable mortgage of immovable property held by one of the shareholder and personnel guarantee of founder promoters.	3% over base rate, presently 13.75%pa 16.75%	Repayable in 96 equal instalments payable on monthly basis started since 2008.
376	Secured by way of hypothecation of Projects assets, 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.	3% over base rate, presently 13.75%pa 16.75%	Repayable in 96 equal instalments payable on monthly basis started since 2008.

**NOTE 5 - PROVISIONS**

	As at 'March 31, 2013		As at 'March 31, 2012	
	Long-term	Short-term	Long-term	Short-term
<b>Provision for employee benefits</b>				
- Gratuity	1,222,845	-	1,212,565	-
<b>Others</b>				
- Taxation	-	103,568	-	118,785
<b>Total</b>	<b>1,222,845</b>	<b>103,568</b>	<b>1,212,565</b>	<b>118,785</b>

**NOTE 6 - OTHER CURRENT LIABILITIES**

	As at March 31, 2013	As at March 31, 2012
<b>Other payables</b>		
- Current maturities of long term borrowings*	21,200,000	33,862,500
- Share application money pending allotment	21,079,000	21,079,000
- Interest accrued and due (bank loan)	57,008,352	12,623,405
- Taxes and other statutory dues	317,100	103,710
- Employee dues	651,341	621,940
- Others <sup>1</sup>	29,544,437	30,233,693
<b>Total</b>	<b>129,800,230</b>	<b>98,524,248</b>

\*Current maturities include installment dues but not paid

<sup>1</sup>Others include non trade payables



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Notes to accounts (continued)

Note 7. (a). FIXED ASSETS - TANGIBLE ASSETS

Particulars	Gross carrying amount				Depreciation				Net carrying amount	
	As at 31.03.2012	Additions	Deductions	As at 31.03.2013	As at 31.03.2012	For the year	On deductions	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Owned assets</b>										
Roads	13084436	-	-	13084436	828542	437020	-	1,265,562	11818874	12255894
<b>Plant and equipment</b>										
- Generating equipment	240905464	-	16000000	224905464	24067704	12229130	-	36,296,834	188608630	216837760
- Transmission line & sub-station	114388605	-	-	114388605	11450644	6039718	-	17,490,362	96898243	102937961
Office equipment	29120	10,000	-	39120	9010	1849	-	10,859	28261	20110
Furniture and fixtures	245536	-	-	245536	53489	15542	-	69,031	176505	192047
Vehicles	154,662	5,946,184	-	6100846	69528	248401	-	317,929	5782917	85134
<b>Others</b>										
- Computer	699,928	51,000	-	750928	422531	99179	-	521,710	229218	277397
- Other Plant & machinery	671,146	-	-	671146	103127	31880	-	135,007	536139	568019
<b>Total Tangible Assets</b>	<b>370,178,897</b>	<b>6,007,184</b>	<b>16,000,000</b>	<b>360,186,081</b>	<b>37,004,575</b>	<b>19,102,719</b>	<b>-</b>	<b>56,107,294</b>	<b>304,078,787</b>	<b>-</b>
Previous year	369,598,272	580,625	-	370,178,897	17,661,114	19,343,461	-	37,004,575	-	333,174,322

Footnotes :

- 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
- 2 Deduction in plant and machinery represents Capital Subsidy MNRE.



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**TARINI INFRASTRUCTURE LIMITED**  
**Notes to the Financial Statements**

(Amount in Rs.)

**NOTE 7(b) - FIXED ASSETS - CWIP**

	As at March 31, 2013	As at March 31, 2012
<b>CAPITAL WORK IN PROGRESS</b>		
Detailed engineering construction drawing	1,505,935	1,505,935
Civil designing & execution expenditure	34,164,258	33,588,819
Hydro Mechanical expenditure	34,550,637	33,775,138
Roads & civil construction work in progress	1,297,892	1,297,892
Electro mechanical/transmission/substation/power	118,804,106	118,797,206
Pre-operative expenditure pending allocation	109,782,185	81,421,435
<b>Total</b>	<b>300,105,013</b>	<b>270,386,425</b>

**NOTE 8 - NON CURRENT INVESTMENTS**

	As at March 31, 2013	As at March 31, 2012
<b>Long Term Investments (Non - Trade)</b>		
<b>Unquoted</b>		
B. Soilmec India Pvt Ltd 335,000 (Previous year- 335,000) Equity shares of Rs. 10 each, fully paid-up	3,350,000	3,350,000
Venture Energy & Technologies Ltd 723,900 (Previous year - 723,900) Equity shares of Rs. 10 each, fully paid-up	7,239,000	7,239,000
Tarini Hydro Power Lethso Ltd 1,000 (Previous year - 1,000) Equity shares of Rs. 7 each, fully paid-up	7,000	7,000
<b>Total</b>	<b>10,596,000</b>	<b>10,596,000</b>

**NOTE 9 - LOANS AND ADVANCES**  
**(unsecured, considered good unless otherwise stated)**

	As at 'March 31, 2013		As at 'March 31, 2012	
	Long-term	Short-term	Long-term	Short-term
Security deposits	213,500		113,500	-
Loan and advances to related parties	-	11,444,289	-	6,227,169
Other loans and advances				
- Advance tax / MAT credit	-	270,098	-	166,530
- Excise, Cenvat, VAT and other Govt dues	-	76,125	-	38,841
- Dues from employees	-	214,522	-	652,507
- Other advances recoverable in cash or in kind or for the value to be received				
- Secured	-	-	-	-
- Unsecured - considered good*	10,954,294	7,128,550	10,954,294	3,441,170
	<u>11,167,794</u>	<u>19,133,584</u>	<u>11,067,794</u>	<u>10,526,217</u>
<b>Total</b>	<b>11,167,794</b>	<b>19,133,584</b>	<b>11,067,794</b>	<b>10,526,217</b>

\*Includes prepaid expenses Rs 338,947 ( Previous year Rs 212,863)



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**TARINI INFRASTRUCTURE LIMITED**  
**Notes to the Financial Statements**

(Amount in Rs.)

**NOTE 10 - NON CURRENT ASSETS**

	As at March 31, 2013	As at March 31, 2012
Deffered expenditure	3,110,495	3,110,495
Increase in authorised capital expenditure	852,000	1,136,000
Preliminary expenses	71,640	106,960
<b>Total</b>	<b>4,034,135</b>	<b>4,353,455</b>

**NOTE 11 - TRADE RECEIVABLES**

	As at March 31, 2013	As at March 31, 2012
Secured, considered good	-	-
Unsecured - considered good	8,497,004	7,826,583
<b>Total</b>	<b>8,497,004</b>	<b>7,826,583</b>

**NOTE 12 - CASH AND CASH EQUIVALENTS**

	As at March 31, 2013	As at March 31, 2012
Balances with banks	1,604,018	732,004
Cash on hand	308,391	732,061
<b>Total</b>	<b>1,912,408</b>	<b>1,464,065</b>

**NOTE 13 - REVENUE FROM OPERATIONS**

	As at March 31, 2013	As at March 31, 2012
Sale of Electrical energy	75,880,204	67,386,604
Less: Discount on prompt payment	(710,584)	(511,937)
Less: Unscheduled interchange charges	(82,574)	(136,919)
<b>Total</b>	<b>75,087,047</b>	<b>66,737,748</b>

**NOTE 14 - OTHER INCOME**

	As at March 31, 2013	As at March 31, 2012
Interest income*	34,083	372,505
<b>Total</b>	<b>34,083</b>	<b>372,505</b>

\* Tax deducted at source Rs 3,976 (Previous year- Rs 1,112 ).

**NOTE 15 - EMPLOYEE BENEFIT EXPENSES**

	As at March 31, 2013	As at March 31, 2012
Salaries, wages etc	8,119,275	9,412,164
Gratuity	10,280	159,465
Staff welfare expenses	379,887	181,769
<b>Total</b>	<b>8,509,442</b>	<b>9,753,398</b>



*Deh*      *V. S. G.*      *Amu*



**TARINI INFRASTRUCTURE LIMITED**  
**Notes to the Financial Statements**

(Amount in Rs.)

**NOTE 16 - FINANCE COST**

	As at March 31, 2013	As at March 31, 2012
Interest expense	23,775,500	22,768,060
Other borrowing costs	670,184	2,755,724
<b>Total</b>	<b>24,445,684</b>	<b>25,523,784</b>

**NOTE 17 - OTHER EXPENSES**

	As at March 31, 2013	As at March 31, 2012
Power and fuel	57,250	103,178
Repairs		
- Plant and machinery	1,689,583	1,049,735
- Other repair	206,462	6,850
Lease rent	852,490	374,276
Royalties	5,000,701	4,440,933
Insurance	352,276	92,827
Travelling & conveyance expenses	1,241,267	1,208,536
Telephone & internet expenses	256,333	325,221
Legal & professional charges	779,878	694,812
Site expenditure	816,246	840,035
Auditors' remuneration		
- Audit fee	196,630	193,025
- Tax audit fee	39,326	38,605
Inspection Charges	121,824	999,049
Maintenance of Substation & Transmission Line	6,910,140	-
Commission paid on guarantee	3,370,800	-
Preliminary expenses written off	319,320	319,320
Miscellaneous expenses	399,444	1,374,065
<b>Total</b>	<b>22,609,970</b>	<b>12,060,467</b>

**NOTE 18 - EARNING PER SHARE**

	As at March 31, 2013	As at March 31, 2012
Profit / (Loss) after tax as per profit and loss account (Rs.)	453315	429143
Weighted average number of Equity shares outstanding (Nos.)	25990000	25990000
Earnings per share - basic / diluted (face value - Rs. 10 per share) (Rs.)	0.02	0.02



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#### ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS:

19. 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
20. In the opinion of the management the balances shown under receivables, payables, loans and advances and other assets whether current or non current, have approximately the same realizable value as shown in the accounts. However these balances are subject to confirmations.
21. The Management is of the opinion that as at the balance sheet date, there are no indications of a material impairment in the value of fixed assets. Hence, the need to provide for an impairment loss does not arise.
22. 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.
- 23. 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 2012-13. The Company is liable to pay Income-tax for the year under the provisions of Section 115JB of the Income-Tax Act, 1961.
- 24. 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.
- 25. 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.250 Lacs (Previous year Rs. 250 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 leasehold rights of 4.8 hectare of land lease to the company at project site in Gujarat, by Government of Gujarat.
26. The company has not received any information from suppliers regarding their status under Micro, Small & Medium Enterprises Development Act, 2006.
27. Deferred tax provision has not been made in view of the availability of tax holiday u/s 80-IA of Income tax Act, 1961







**28. 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 received the subsidy of Rs. 160 Lacs during the year which has been adjusted with the cost of plant.

29. An amount of Rs. 2,282,930/- (Previous year Rs 2,027,390), Year to date Rs 59,62,560/-, 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. The matter is pending before the Supreme Court.

**30. Related Party Disclosures:**

(a) Key Management Personnel

Mr. Vakmula Chandrashekhar  
Mrs. Anu Naidu  
Mr. Vellore Subramanian Suresh

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

Tarini International Limited, Venture Infrastructure Limited, B.Soilmec India Private Limited, Venture Energy & Technologies Limited, Tarini Sugars & Distilleries Limited, Real Value Promoters Private Limited Tarini Overseas Mining and Operations Limited, Tarini Humanitarian Demining and Rehabilitation Works

(Amount (Rs.))

Particulars	Mar-13	Mar-12
<b>Expenses paid for to Tarini International Ltd</b>		
Maintenance charges for Substation & Transmission line	6,910,140	-
Guarantee Commission	3,370,800	-
Rent	674,160	180,000
<b>Closing Balance at the year end.</b>		
<u>Payable</u>		
a) Mr.Vakamulla Chandrashekhar	260,378	1,379,128
b) Mrs.Vakamulla Anu Naidu	468,979	399,000
c) Mr. Vellore Subramanian Suresh	5,841,243	5,391,243
B.Soilmec India Private Limited	-	210,377
Venture Infrastructure Limited	-	563,094
<u>Receivable / (Payable)</u>		
Tarini International Limited	11,444,289	(1,822,575)
Venture Energy & Technologies Limited	-	5,832,169
Tarini Overseas Mining and Operations Ltd.	-	231,500
Tarini Humanitarian Demining and Rehabilitation Works	-	163,500



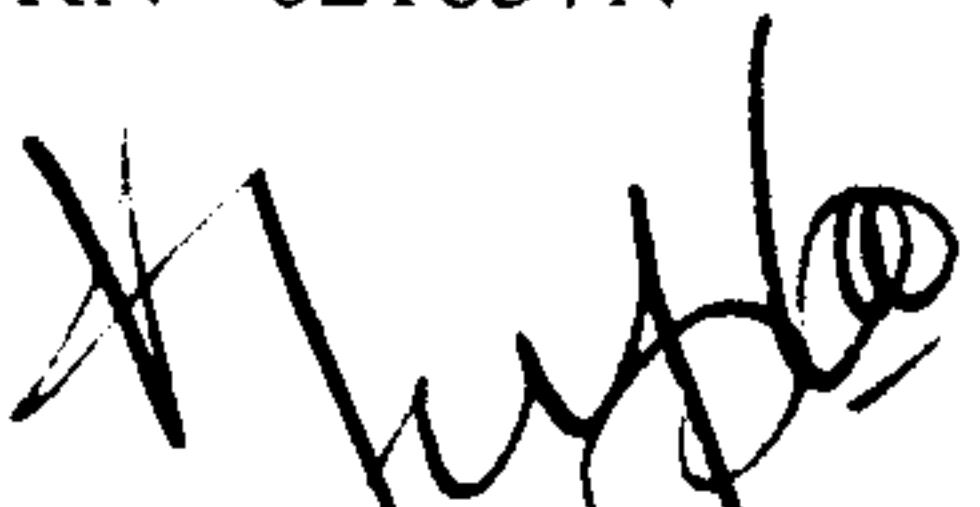
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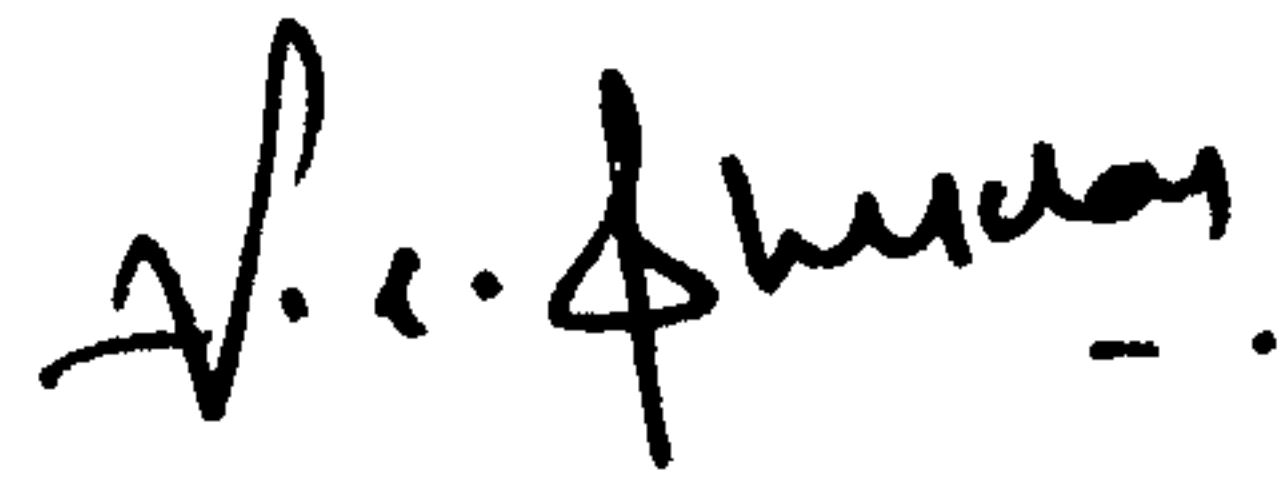
32. Additional information pursuant to the provision of paragraph 3 and 4 of part II of schedule VI to the companies Act, 1956:


Capacity and production (as certified by the management)	Actual Production	
	2012-13	2011-12
Installed Annual Capacity-		
SHPI under Generation	5600 KW	
SHPII (Commercial production yet to come)	3000 KW	21.74 GWH
	2600 KW	19.52 GWH


For V C G & CO.  
Chartered Accountants  
FRN - 021837N

  
(Vishal Chandra Gupta)  
Partner  
Membership No. 093908  
New Delhi  
Date: September 2, 2013



  
Vakamulla Chandrashekhar  
Managing Director

  
V. Anu Naidu  
Director

  
Deepak Gupta  
Company Secretary



## Tarini Infrastructure Ltd

### Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

S. No.	Particulars	Details
1	Name of the Subsidiary	B.Soilmec India Private Ltd
2	Financial year of the subsidiary ended on	31st March, 2013
3	Shares of the subsidiary held by the Company on above date	
	a) Number and Face Value	3,35,000/- Equity Shares of Rs. 10/- each, fully paid up
	b) Extent of holding	85.90%
4	Net aggregate amount of profits (losses) of the subsidiary Company not dealt with in the Company's Accounts so far as it concerns the members of the holding company.	
	a) For the Financial Year Ended 31/03/2013	Rs. 433,549
	b) For the Previous Financial year of the Subsidiary	Rs. 247,313
5	Net aggregate amount of profits (losses) of the subsidiary Company so far as its profits are dealt with in the Holding Company's Accounts.	
	a) For the Financial Year Ended 31/03/2013	Rs. NIL
	b) For the Previous Financial year of the Subsidiary	Rs. NIL

(V.chandrashekhar)  
MANAGING DIRECTOR

Tarini Infrastructure Ltd

(Anu Naidu)  
DIRECTOR

Deepak Gupta  
COMPANY SECRETARY

