

INDUSTRIAL POWER UTILITY LIMITED

Directors' Report

To The Members of
Industrial Power Utility Limited

The Directors hereby present their Third Annual Report on the business of the Company and the statement of accounts for the period ended 31st March 2010.

1. OPERATIONS

The Company has not started any Commercial Operations till date.

2. DIRECTORS

In accordance with the requirements of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, Mr B J Shroff retires by rotation and is eligible for re-appointment.

3. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, the existing Auditors of the company hold office till the conclusion of the Annual General Meeting. Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s Deloitte Haskins and Sells, Chartered Accountants, the existing Auditors, have under Section 224 (1) of the Act, indicated their eligibility for re-appointment.

4. PARTICULARS OF EMPLOYEES

The Company had no employees of the category specified under Section 217(2A) of the Companies Act, 1956.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy : The disclosures required in Form A of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to conservation of energy are not applicable to the Company.

Technology Absorption : Nil

Foreign exchange earnings and outgo : Nil

6. DIRECTORS RESPONSIBILITY STATEMENT

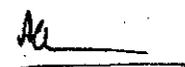
Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from all the Directors, confirm that :

INDUSTRIAL POWER UTILITY LIMITED

-2-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies consulted the Statutory Auditors and have 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 at the end of the period;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

On behalf of the Board of Directors

 
Director

Place : Mumbai
Date : 13th May 2010

Deloitte Haskins & Sells

Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai - 400 018
India

Tel : + 91 (22) 6667 9000
Fax : + 91 (22) 6667 9025

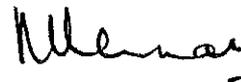
AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL POWER UTILITY LIMITED

1. We have audited the attached Balance Sheet of **INDUSTRIAL POWER UTILITY LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

Deloitte Haskins & Sells

- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. Without qualifying our opinion, we draw attention to Note A (ii) to the financial statements. For reasons stated therein the financial statements of the Company have been prepared on a going concern basis.
6. On the basis of the written representations received from the Directors as on March 31, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)



N.VENKATRAM
Partner
(Membership No. 71387)

MUMBAI, 13th May, 2010

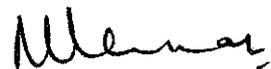
Deloitte Haskins & Sells

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business / activities, clauses (i), (ii), (iv), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements that needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)



N.VENKATRAM
Partner
(Membership No. 71387)

MUMBAI, 13th May, 2010

INDUSTRIAL POWER UTILITY LIMITED

Balance Sheet as at 31st March, 2010

| | Schedule | | Rupees | Rupees |
|---|----------|---------|------------------|------------------|
| | No. | | 31.03.10 | 31.03.09 |
| FUNDS EMPLOYED: | | | | |
| 1. SHARE CAPITAL | 1 | | 1,100,000 | 500,000 |
| Share Application Money received | | | - | 600,000 |
| 2 TOTAL FUNDS EMPLOYED | | | 1,100,000 | 1,100,000 |
| APPLICATION OF FUNDS: | | | | |
| 3 CURRENT ASSETS, LOANS AND ADVANCES | | | | |
| Cash and Bank balances | 2 | 255,037 | | 266,667 |
| <i>Less:</i> | | | | |
| 4 CURRENT LIABILITIES AND PROVISIONS | | | | |
| Current Liabilities | 3 | 11,031 | | 8,273 |
| 5 NET CURRENT ASSETS | | | 244,006 | 258,394 |
| 6 PROFIT & LOSS ACCOUNT (Debit Balance) | | | 855,994 | 841,606 |
| 7 TOTAL APPLICATION OF FUNDS | | | 1,100,000 | 1,100,000 |
| 8 NOTES FORMING PART OF THE ACCOUNTS... | 4 | | | |

In terms of our report attached.

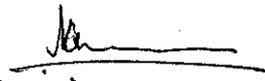
For and on behalf of the Board,

For DELOITTE HASKINS & SELLS
Chartered Accountants


N. VENKATRAM
Partner

Amulya Charan

Sanjay Dube




Mumbai, 13th May, 2010

INDUSTRIAL POWER UTILITY LIMITED

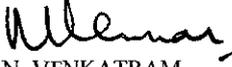
Profit and Loss Account for the year ended 31st March, 2010

| | 31.03.10 | 31.03.09 |
|---|---------------|---------------|
| | Rupees | Rupees |
| EXPENDITURE | | |
| OTHER EXPENSES | | |
| a) Miscellaneous Expenses | - | 275 |
| b) Auditors' Fees (Inclusive of Service Tax) | 11,030 | 8,273 |
| c) Legal and Professional charges | 2,758 | - |
| d) Franking Fees | 600 | - |
| LOSS FOR THE PERIOD CARRIED TO BALANCE SHEET | 14,388 | 8,548 |
| EARNINGS PER SHARE (in Rs) | (0.13) | (0.17) |

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS
Chartered Accountants


N. VENKATRAM
Partner

Amulya Charan 

Sanjay Dube 

Mumbai, 13th May, 2010

INDUSTRIAL POWER UTILITY LIMITED
Schedules forming part of the Balance Sheet

| Schedule 1 | | As at March 31,2010 | As at March 31,2009 |
|---|--|--------------------------------|--------------------------------|
| SHARE CAPITAL | | Rupees | Rupees |
| Authorised: 10,000,000 Equity Shares of Rs. 10 each | | 100,000,000 | 100,000,000 |
| Issued, Subscribed and paid-up: 110,000 Equity Shares of Rs. 10 each (31st March, 2009 - 50,000 shares) | | 1,100,000 | 500,000 |
| (The Company is a wholly owned subsidiary of AF-Taab Investment Company Limited, the ultimate holding Company being The Tata Power Company Limited) | | | |
| Schedule 2 | | As at March 31,2010 | As at March 31,2009 |
| CASH & BANK BALANCES | | Rupees | Rupees |
| Current Account with Scheduled Bank | | 255,037 | 266,667 |
| | | 255,037 | 266,667 |
| Schedule 3 | | As at March 31,2010 | As at March 31,2009 |
| CURRENT LIABILITIES | | Rupees | Rupees |
| Sundry Creditors (Other than Micro and Small enterprises) | | 11,031 | 8,273 |
| | | 11,031 | 8,273 |

A

Cash Flow Statement for the year ended 31st March, 2010

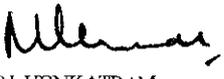
| | | 31-3-2010 Rupees | 31-3-2009 Rupees |
|---|--------------|---------------------|---------------------|
| A. Cash Flow from Operating Activities | | | |
| Loss before Taxes and Extraordinary Items | | (14,388) | (8,548) |
| Adjustments for: | | | |
| Trade and Other Payables | 2,758 | | |
| Net Cash used in Operating Activities | A | (11,630) | (833,333) |
| B. Cash Flow from Financing Activities | | | |
| Share Application Money received | | - | 600,000 |
| Net Cash from Financing Activities | B | - | 600,000 |
| Net Decrease in Cash and Cash Equivalents | (A+B) | (11,630) | (233,333) |
| Cash and Cash Equivalents as at 1st April, 2009 | | 266,667 | 500,000 |
| Cash and Cash Equivalents as the end of the year | | 255,037 | 266,667 |

Notes:

| | | | |
|---|---------------------------------------|------------------------------|------------------------------|
| 1 | Cash and Cash Equivalents include: | As at 31-3-2010 Rupees | As at 31-3-2009 Rupees |
| | Current Accounts with Scheduled Banks | 255,037 | 266,667 |

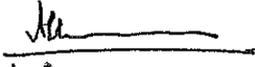
In ter our report attached.

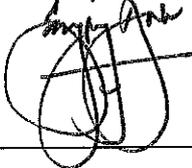
For DELOITTE HASKINS & SELLS
Chartered Accountants


N. VENKATRAM
Partner

Mumbai, 13th May, 2010

For and on behalf of the Board,

Amulya Charan 

Sanjay Dube 

INDUSTRIAL POWER UTILITY LIMITED.

Schedule 4

A] SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

The accompanying financial statements have been prepared under the historical cost convention, in accordance with the applicable accounting principles in India, the Accounting Standards notified by the Companies Act, 1956 and relevant provisions of the Companies Act, 1956.

ii) Going Concern

In view of the expected future operations/business activities, with the support of the ultimate holding Company, the accounts of the Company have been prepared on a going concern basis.

iii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

iv) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax, which is computed on the basis of enacted / substantively enacted rates, is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

h

B] NOTES TO THE ACCOUNTS

- i) The principal business of the company is to engage in all aspects of the business of generation of electricity including captive generation, sale of electricity and other allied activities.
- ii) During the period, there are no transactions with 'suppliers' as defined under the Micro, Small and Medium Enterprises Development Act, 2006.
- iii) Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" as identified and certified by the Management:

Names of the related parties (where control exists) and description of relationship:

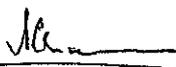
Parent Company : The Tata Power Company Limited
Holding Company: AF-Taab Investment Company Limited.

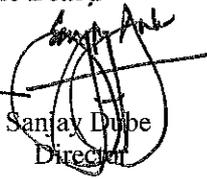
Details of Transactions with Holding Company:

Share Application Money received – Rs. Nil. (Previous period – Rs. 600,000)

- iv) As the principal business of the Company is proposed to be generation and sale of electricity and no commercial operations have commenced, detailed quantitative information as required under para 4C of Part II of Schedule VI of the Companies Act, 1956 is not applicable.
- v) Previous period's figures have been regrouped, wherever necessary to conform to this year's classification.

For and on behalf of the Board


Amulya Charan
Director


Sanjay Dube
Director