

## TATA POWER TRADING COMPANY LIMITED

### DIRECTORS' REPORT

To the Members,

The Directors are pleased to present their Seventh Annual Report on the business and operations of the Company and the statement of account for the year ended 31<sup>st</sup> March 2010.

#### I. FINANCIAL RESULTS

	FY 2010 (Rupees Crores)	FY 2009 (Rupees Crores)
<b>Units traded (MUs)</b>	<b>4075</b>	<b>2996</b>
(a) Revenue from Power Supply (Net)	2,356.15	2,167.29
(b) Income from Advisory Services/Consultancy	0.54	0.90
(c) Other Income	2.33	5.05
<b>(d) Total Income</b>	<b>2,359.02</b>	<b>2,173.24</b>
(e) Cost of Power Purchased	2,336.14	2,155.26
(f) Operating, Administration and other finance charges	11.00	6.55
<b>(g) Total Expenditure</b>	<b>2,347.14</b>	<b>2,161.81</b>
(h) Profit Before Taxes	<b>11.88</b>	<b>11.43</b>
(i) Provision for Taxation	3.64	3.80
<b>(j) Net Profit After Tax</b>	<b>8.24</b>	<b>7.63</b>
(k) Balance brought forward from the previous year	11.08	5.78
<b>(l) Balance</b>	<b>19.32</b>	<b>13.41</b>
which the Directors have appropriated as under to :		
(m) Interim Preference Dividend	1.08	
(n) Proposed Preference Dividend		1.08
(o) Interim Equity Dividend	0.40	
(p) Proposed Equity Dividend		0.40
(q) Additional Income-tax on Dividend	0.25	0.25
(r) General Reserve	0.65	0.60
<b>TOTAL</b>	<b>2.38</b>	<b>2.33</b>
<b>(s) Balance carried to Balance Sheet</b>	<b>16.94</b>	<b>11.08</b>

#### 2. FINANCIAL & OPERATIONAL RESULTS

During the year, the Company reported a Profit after Tax (PAT) of Rs. 8.24 crores, as against Rs. 7.63 crores for the previous year, a growth of 8%. The Operating Revenue is also higher at Rs. 2,356.69 crores, as against Rs. 2,168.19 crores, a growth of 8.7%.

Operating Revenue is higher mainly on account of increase in power trading business. The Company has a CAGR of 122% in terms of power traded.

In addition, to power trading business the Company also provided consultancy services for Energy Management, Coal Supply Facilitation, Project Analysis and Clean

## **TATA POWER TRADING COMPANY LIMITED**

Development Mechanism (CDM). The Company earned revenues of Rs. 0.54 crores from advisory services/consultancy business during the year.

The Company's short term credit facility from banks was rated as 'BBB+' by Fitch Rating Agency.

### **3. DIVIDEND**

In March 2010, the Company paid an interim dividend of Rs. 0.60/- per share on Cumulative Redeemable Preference Shares (6%) – same as last year's final dividend and an interim dividend of Rs. 2/- per share on Equity Shares (20%) – same as last year's final dividend, for the year ended 31<sup>st</sup> March 2010. Keeping in view the interim dividend, the Directors decided not to recommend any final dividend.

### **4. RIGHTS ISSUE**

During the previous year, the Company came out with a rights issue of equity shares in the ratio of 7:1. The rights issue was priced at Rs. 25/- per share at a premium of Rs. 15/- per share. The issue of Rs 35 Crore, was fully subscribed and the shares were allotted as on 30<sup>th</sup> March 2010.

### **5. REDEMPTION OF PREFERENCE SHARES**

During the previous year, the Company redeemed 1,80,00,000 6% Cumulative Redeemable Preference Shares at par.

### **6. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S Ramakrishnan and Mr. S Padmanabhan retire by rotation. Mr. S Ramakrishnan and Mr. S Padmanabhan being eligible offer themselves for re-appointment.

Mr. Amulya Charan was appointed as a Managing Director of the Company from 1<sup>st</sup> June 2007 to 31<sup>st</sup> May 2010. The Board, subject to approval in the Annual General Meeting, has re-appointed Mr. Amulya Charan as Managing Director of the Company from 1<sup>st</sup> June 2010 to 31<sup>st</sup> March 2011.

None of the Directors of the Company are disqualified under section 274 (1) (g) of the Companies Act, 1956.

### **7. AUDITORS**

Members would be requested, as usual, to appoint Auditors for the current year and authorise the Board of Directors to fix their remuneration. Messrs Deloitte Haskins & Sells (DHS), the present Auditors who retire at the conclusion of the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to be re-appointed and have given a certificate to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Act.

## **TATA POWER TRADING COMPANY LIMITED**

### **8. DISCLOSURE OF PARTICULARS**

Particulars of Employees: Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is not applicable as all the managers, executives and officers are employees of The Tata Power Co. Ltd. and are deputed to the Company.

### **9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company does not fall under any of the industries covered by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. Hence, the requirements of disclosure in relation to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo are not given.

During the year, the Company earned a Foreign Exchange of Rs.6,79,000 (Nil) from Coal Supply Facilitation business, however the receipt is expected in FY11. The outgo during the year was Rs. 1,36,24,133 (Rs. 77,59,491/-) on account of implementation Power Management System software platform and traveling expenses for employees.

### **10. CORPORATE GOVERNANCE**

Board of Directors of the Company has constituted Audit and Remuneration committees, even though it is not a listed company.

The Company has an Audit Committee comprising of three Directors, viz. Mr. Sunil Wadhwa, Mr. S Ramakrishnan and Mr. Amulya Charan. Mr. Sunil Wadhwa is the Chairman of the Audit Committee.

The Company has a Remuneration Committee comprising of three Directors, viz. Mr. S Ramakrishnan Mr. S Padmanabhan, and Mr. Sunil Wadhwa. Mr S Ramakrishnan is the Chairman of the Remuneration Committee.

The Company has a Finance Committee comprising of three Directors, viz. Mr. S Ramakrishnan Mr. Amulya Charan, and Mr Ashok Sethi. Mr S Ramakrishnan is the Chairman of the Finance Committee.

### **11. SOCIAL RESPONSIBILITY**

The Company is committed to discharging its responsibility as a good corporate citizen. As part of its social responsibility, the Company conducted following activities:

A training workshop on safety was conducted for various organizations/institutes like BSES Hospital (Andheri), JNPT (Uran), Income Tax Office (Andheri), etc.

### **12. DIRECTORS' RESPONSIBILITY STATEMENT**

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

## TATA POWER TRADING COMPANY LIMITED

- 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 financial year and of the profit of the Company for that 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 safeguarding 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;

### 13. ACKNOWLEDGEMENT

The Directors thank Ministry of Power, Government of India, CERC, the concerned state governments and all concerned statutory authorities, including regulatory authorities for their support, and look forward to their continued support in future.

The Directors thank the clients, vendors, investors, business associates and bankers for their continued support during the year. The Directors place on record their appreciation of the contribution made by employees at all levels. The Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

On behalf of the Board of Directors, .



S. Ramakrishnan  
Chairman

Mumbai, 6<sup>th</sup> May 2010

**SIGN & RETURN** 

# Deloitte Haskins & Sells

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

Tel : + 91 (22) 6667 9000  
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## AUDITORS' REPORT TO THE MEMBERS OF TATA POWER TRADING COMPANY LIMITED

1. We have audited the attached Balance Sheet of **TATA POWER TRADING COMPANY LIMITED** ("the Company") as at 31<sup>st</sup> 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 as follows:
  - (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;
  - (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

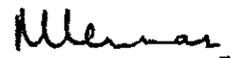
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# Deloitte Haskins & Sells

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 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 31<sup>st</sup> March, 2010;
  - (ii) in the case of the Profit and Loss Account, of the profit 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. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> 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, 6<sup>th</sup> May, 2010

# Deloitte Haskins & Sells

## ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

Having regard to the nature of the Company's business/activities, clauses (ii), (x), (xiii), (xiv), and (xx) of CARO are not applicable.

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) No fixed assets have been disposed off during the year.
- (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) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iv) According to the information and explanations given to us, the Company has not entered into any contracts or arrangement with parties, which needs to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year/previous years.

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# Deloitte Haskins & Sells

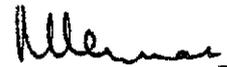
- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and nature of its business.
- (vii) As informed to us by the Management, Central Government has not prescribed maintenance of cost records for any of the product of the Company under Section 209 (1) (d) of the Companies Act, 1956.
- (viii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2010 for a period of more than 6 months from the date they became payable.
  - (c) There were no unpaid disputed amounts payable in respect of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess as at 31<sup>st</sup> March, 2010.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions, and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, no guarantees have been given by the Company for loans taken by others from banks and financial institutions.
- (xi) In our opinion and 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.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xiii) In our opinion and according to the information and explanations given to us, no term loans have been availed by the Company.

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# Deloitte Haskins & Sells

- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) According to the information and explanations given to us, the Company has not issued any debentures during the year.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, other than two failed attempts made by outside persons to wrongly withdraw Rs.25.02 crores from the Company's bank account by using fraudulent cheques, 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, 6<sup>th</sup> May, 2010

**Tata Power Trading Company Limited**  
**Balance Sheet as at 31st March, 2010**

	Schedule	As at 31st March, 2009		
		Rupees	Rupees	Rupees
<b>FUNDS EMPLOYED :</b>				
1	A		160,000,000	200,000,000
2	B		398,758,451	124,767,696
<b>TOTAL</b>			<b>558,758,451</b>	<b>324,767,696</b>
<b>APPLICATION OF FUNDS :</b>				
3	C			
a.		27,748,134		3,638,944
		6,662,934		947,359
			21,085,200	2,691,585
b.			-	10,712,805
			21,085,200	13,404,390
4	D		26,334,753	1,056,838
5			7,427,300	3,848,800
6	E			
		1,157,857,309		1,271,768,438
		673,464,990		380,019,114
		52,608,278		11,081,577
			1,883,930,577	1,662,869,129
Less :				
7	F			
		1,377,706,319		1,337,184,594
		2,313,060		19,226,867
			1,380,019,379	1,356,411,461
			503,911,198	306,457,668
<b>TOTAL</b>			<b>558,758,451</b>	<b>324,767,696</b>
Notes forming part of the Accounts		G		

In terms of our report attached.

For and on behalf of the Board,

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

S. Ramakrishnan - Chairman



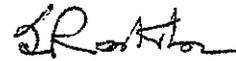
Amulya Charan-Managing Director

**N. VENKATRAM**  
Partner

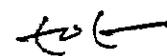
T.N. Ramakrishnan-Secretary

Mumbai: 6th May, 2010

Mumbai: 6th May, 2010







**Tata Power Trading Company Limited**  
**Profit and Loss Account for the year ended 31st March, 2010**

	Schedule	Current Year		Previous Year
		Rupees	Rupees	Rupees
<b>INCOME :</b>				
1 Revenue	1		23,577,167,707	21,719,253,571
2 Other Income	2		13,210,273	13,148,154
<b>TOTAL INCOME</b>			<b>23,590,377,980</b>	<b>21,732,401,725</b>
<b>EXPENDITURE</b>				
3 Cost of Power Purchased		23,734,107,172		21,901,722,535
Less : Cash Discount Earned		372,661,058		349,166,979
4 Operating and Administration expenses	3		23,361,446,114	21,552,555,556
5 Depreciation	C		104,309,799	64,623,994
6 Interest	4		5,715,575	320,151
			128,977	586,960
<b>TOTAL EXPENDITURE</b>			<b>23,471,600,465</b>	<b>21,618,086,661</b>
<b>PROFIT BEFORE TAXES</b>			<b>118,777,515</b>	<b>114,315,064</b>
7 <b>PROVISION FOR TAXATION</b>				
a) Current Tax		40,000,000		39,000,000
b) Deferred Tax		(3,578,500)		(2,072,800)
c) Fringe Benefit Tax		-		800,000
			36,421,500	37,727,200
8 <b>PROVISION FOR TAXATION IN RESPECT OF EARLIER YEARS</b>				
Current Tax				285,250
			<b>36,421,500</b>	<b>38,012,450</b>
<b>PROFIT AFTER TAXES BEFORE APROPRIATIONS</b>			<b>82,356,015</b>	<b>76,302,614</b>
9 <b>APPROPRIATIONS</b>				
Preference Shares - Interim Dividend Paid		10,800,000		-
Equity Shares - Interim Dividend		4,000,000		-
Preference Shares - Proposed Dividend		-		10,800,000
Equity Shares - Proposed Dividend		-		4,000,000
10 Additional Income Tax on Dividend			14,800,000	14,800,000
11 Transfer to General Reserve			2,515,260	2,515,260
			6,500,000	6,000,000
			<b>23,815,260</b>	<b>23,315,260</b>
<b>12 BALANCE CARRIED TO BALANCE SHEET</b>			<b>58,540,755</b>	<b>52,987,354</b>
13 Basic and Diluted Earning Per Share (in Rs.) (Face Value Rs.10)			34.20	31.83
Notes forming part of the Accounts	G			

In terms of our report attached.

For DELOITTE HASKINS & SELLS  
Chartered Accountants

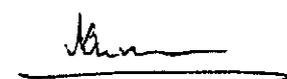


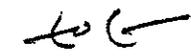
N. VENKATRAM  
Partner

Mumbai: 6th May, 2010

For and on behalf of the Board,

S. Ramakrishnan - Chairman 

Amulya Charan-Managing Director 

T.N. Ramakrishnan-Secretary 

Mumbai: 6th May, 2010

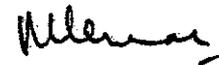
**Tata Power Trading Company Limited**  
Cash Flow Statement for year ended 31st March, 2010

( In Rupees )

		Year ended 31st March, 2010	Year ended 31st March, 2009
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Profit before Taxes	118,777,515	114,315,064
	<b>Adjustments for:</b>		
	Depreciation	5,715,575	320,151
	Interest	128,977	586,960
	Dividend from Current Investments	(13,053,392)	(9,000,078)
	Profit on Sale of Current Investments	(31,338)	(24,168)
	Miscellaneous Expenditure written off	-	320,331
	Provision for Doubtful debts	17,057,806	6,427,252
	Operating Profit before Working Capital Changes	9,817,628	(1,369,552)
		128,595,143	112,945,512
	<b>Adjustments for:</b>		
	Trade and Other Receivables	55,326,622	(683,032,658)
	Trade and Other Payables	34,006,465	954,171,155
		89,333,087	271,138,497
	<b>Net Cash Generated from Operations</b>	217,928,230	384,094,009
	Taxes Paid (Including Fringe Benefit Tax)	(39,598,547)	(37,641,603)
	<b>Net Cash from Operating Activities</b>	(39,598,547)	(37,641,603)
		178,329,683	346,442,406
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets and CWIP	(13,396,385)	(11,459,349)
	Purchase of Investment	(19,470,084,527)	(11,205,635,342)
	Sale of Investment	19,444,837,950	11,204,613,544
	Dividend Income	13,053,392	9,000,078
	Net Cash used in Investing Activities	(25,589,570)	(3,481,069)
		(25,589,570)	(3,481,069)
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds received from Issue of Equity Shares (net of issue expenses)	348,950,000	-
	Payment on Redemption of Preference Shares	(180,000,000)	-
	Dividend Paid	(25,600,000)	(14,800,000)
	Dividend Tax Paid	(2,515,260)	(2,515,260)
	Proceeds from Borrowings	-	825,000,000
	Repayment of Borrowings	-	(852,695,438)
	Interest Paid	(128,977)	(586,960)
	Net Cash from/(used in) Financing Activities	140,705,763	(45,597,658)
		140,705,763	(45,597,658)
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	293,445,876	297,363,679
	<b>Cash and Cash Equivalents as at 1st April, 2009</b>	380,019,114	82,655,435
	<b>Cash and Cash Equivalents as at 31st March, 2010</b>	673,464,990	380,019,114

In terms of our report attached.

For DELOITTE HASKINS & SELLS  
Chartered Accountants



**N. VENKATRAM**  
Partner

Mumbai: 6th May, 2010

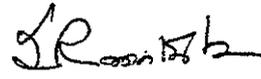
For and on behalf of the Board,

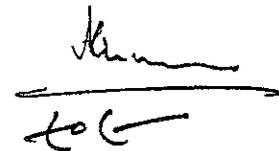
S. Ramakrishnan - Chairman

Amulya Charan-Managing Director

T.N. Ramakrishnan-Secretary

Mumbai: 6th May, 2010





Tata Power Trading Company Limited  
Schedules forming part of the Balance Sheet as at 31st March, 2010

Sch No.	Rupees	Rupees	
		As at 31st March, 2010	As at 31st March, 2009
A	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED CAPITAL</b>		
	20,000,000 Equity Shares of Rs. 10 each	200,000,000	100,000,000
	18,000,000 6% Non-Cumulative Redeemable Preference Shares of Rs 10 each	180,000,000	180,000,000
		<b>380,000,000</b>	<b>280,000,000</b>
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	16,000,000 (2,000,000 as on 31st March, 2009) Equity Shares of Rs.10 each fully paid. (The Company is a wholly owned subsidiary of The Tata Power Company Limited)	160,000,000	20,000,000
	Nil (18,000,000 as on 31st March, 2009) 6% Non-Cumulative Redeemable Preference Shares of Rs.10 each fully paid held by the holding company. (These shares were redeemed during the year)	-	180,000,000
		<b>160,000,000</b>	<b>200,000,000</b>
B	<b>RESERVES AND SURPLUS</b>		
	<b>SECURITIES PREMIUM</b>		
	Opening Balance	208,950,000	-
	Add: Received during the year (net of issue expenses of Rs.1,050,000)	208,950,000	-
	<b>GENERAL RESERVE</b>		
	Opening Balance	14,000,000	8,000,000
	Add: Transfer from Profit and Loss account	6,500,000	6,000,000
		<b>20,500,000</b>	<b>14,000,000</b>
E	<b>PROFIT AND LOSS ACCOUNT</b>		
	Opening Balance	110,767,696	57,780,342
	Add : Profit for the Period	58,540,755	52,987,354
	Closing Balance	169,308,451	110,767,696
		<b>398,758,451</b>	<b>124,767,696</b>
	<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
	a) <b>Sundry Debtors (Unsecured)</b>		
	Debts outstanding for more than six months	29,150,324	12,092,518
	Other Debts	1,157,857,309	1,271,768,438
Sundry Debtors	1,187,007,633	1,283,860,956	
Less: Provision for Doubtful debts	29,150,324	12,092,518	
	1,157,857,309	1,271,768,438	
Note:			
Sundry Debtors considered good	1,157,857,309	1,271,768,438	
Sundry Debtors considered doubtful	29,150,324	12,092,518	
	1,187,007,633	1,283,860,956	
b) <b>Cash and Bank Balances</b>			
Current Accounts with Scheduled Banks	673,464,990	380,019,114	
	<b>1,831,322,299</b>	<b>1,651,787,552</b>	
c) <b>Loans and Advances</b>			
<b>Unsecured Considered good-unless otherwise stated</b>			
(i) Other Advances	948,533	1,067,006	
(ii) Deposits	51,659,745	10,014,571	
	<b>52,608,278</b>	<b>11,081,577</b>	
<b>Total Loans and Advances</b>			
	<b>1,883,930,577</b>	<b>1,662,869,129</b>	
F	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
	<b>CURRENT LIABILITIES</b>		
	Sundry Creditors -Micro and Small Enterprises (Refer Note no.2 to Schedule 'G')	1,358,566,338	1,332,675,151
	Sundry Creditors -Others	2,835,000	1,935,000
	Deposit received from Customers	4,000,000	-
	Interim Dividend Payable	2,515,260	-
	Additional Income Tax on Dividends Payable	9,789,721	2,574,443
	Other Liabilities	1,377,706,319	1,337,184,594
	<b>Total Current Liabilities</b>		
	<b>2,313,060</b>	<b>1,911,607</b>	
<b>PROVISIONS</b>			
Provision for Taxation (Net)	-	14,800,000	
Provision for Proposed Dividends	-	2,515,260	
Provision for Additional Income Tax on Dividends	2,313,060	19,226,867	
<b>Total Provisions</b>			
	<b>1,380,019,379</b>	<b>1,356,411,461</b>	
<b>Total Current Liabilities and Provisions</b>			

**Tata Power Trading Company Limited**  
**Schedules forming part of the Balance Sheet as at 31st March, 2010**  
**Schedule "C"**  
**FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2009 Rupees	Additions For the Year Rupees	Deductions For the Year Rupees	As at 31st March, 2010 Rupees	As at 1st April, 2009 Rupees	For the Year Rupees	Deductions for the Year Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2010 Rupees
<b>A INTANGIBLE ASSETS</b>										
Computer Software	-	20,459,726	-	20,459,726	-	4,603,438	-	4,603,438	-	15,856,288
<b>B TANGIBLE ASSETS</b>										
1 Computers	1,389,775	689,488	-	2,079,263	352,311	272,474	-	624,785	1,037,464	1,454,478
2 Furniture, Fixtures and Office Equipment	884,748	1,432,587	-	2,317,335	141,378	637,492	-	778,870	743,370	1,538,465
3 Motor Vehicles	1,364,421	1,527,389	-	2,891,810	453,670	202,171	-	655,841	910,751	2,235,969
<b>2009 - 10</b>	<b>3,638,944</b>	<b>24,109,190</b>	<b>-</b>	<b>27,748,134</b>	<b>947,359</b>	<b>5,715,575</b>	<b>-</b>	<b>6,662,934</b>	<b>21,085,200</b>	<b>2,691,585</b>
<b>2008 - 09</b>	<b>2,892,400</b>	<b>746,544</b>	<b>-</b>	<b>3,638,944</b>	<b>627,208</b>	<b>320,151</b>	<b>-</b>	<b>947,359</b>	<b>2,691,585</b>	<b>-</b>

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Tata Power Trading Company Limited  
Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE " D " INVESTMENTS

INVESTMENTS

OTHER INVESTMENTS - UNQUOTED - CURRENT	Opening (Units)	Purchased (Units)	Sold (Units)	Closing Balance (Units)	Face Value as at	Cost as at 31st	Cost as at 31st
					31st March, 2010 Rupees	March, 2010 Rupees	March, 2009 Rupees
<b>a) TRADE INVESTMENTS</b>							
Ordinary Shares - (Unquoted) fully paid up Power Exchange India Ltd.	-	2,500,000	-	2,500,000	25,000,000	25,000,000	-
<b>b) OTHER INVESTMENTS - CURRENT</b>							
Other Securities - (Unquoted) Templeton India Cash Management - Dividend Reinvestment	105,683	9,460,925	9,433,133	133,475	1,334,750	1,334,753	1,056,838
						<b>26,334,753</b>	<b>1,056,838</b>

During the year, the company acquired and sold the following Investments:

Particulars	No. of units	Purchase Cost
a) Birla Sun Life Cash Plus - Institutional Prem. - Daily Dividend - Reinvestment	588,735,405	5,898,834,392
b) Birla Sun Life Saving Fund - Institutional - Daily Dividend - Reinvestment	15,000,909	150,111,099
c) HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	278,532,412	2,962,582,145
d) SBI - Magnum Insta Cash Fund - Daily Dividend Option	174,286,847	2,919,356,980
e) SBI - Premier Liquid Fund - Super Institutional - Daily Dividend	3,987,453	40,004,120
f) ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend	68,417,705	6,843,089,013
g) ICICI Prudential Institutional Liquid Plan - Daily Dividend Option	1,688,417	20,008,084
h) ICICI Prudential Flexible Income Plan Premium - DDR	1,897,668	200,649,971
i) UTI Liquid Cash Plan Institutional - Daily Income Re-investment	309,815	315,839,472
j) Templeton India Cash Management - Dividend Reinvestment	9,327,450	93,274,488
		<b>19,443,749,774</b>

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**Tata Power Trading Company Limited**  
Schedules forming part of the Profit and Loss Account

Sch No.		Rupees	Rupees	
				31st March, 2009
<b>1</b>	<b>REVENUE:</b>			
a)	Revenue from Power Supply	23,889,501,470		22,021,314,142
	Less: Cash Discount allowed	327,929,026		348,400,837
			23,561,572,444	21,672,913,305
b)	Income from Advisory Services		5,429,000	9,035,498
c)	Compensation Accrued (Net)		787,539	37,304,768
d)	Liability Written back		9,378,724	-
			<b>23,577,167,707</b>	<b>21,719,253,571</b>
<b>2</b>	<b>OTHER INCOME:</b>			
a)	Dividend from Current Investments		13,053,392	9,000,078
b)	Profit on sale of Current Investments		31,338	24,168
c)	Delay Payment Charges received		125,543	4,123,908
			<b>13,210,273</b>	<b>13,148,154</b>
<b>3</b>	<b>OPERATION AND ADMINISTRATION EXPENSES:</b>			
a)	Payments to and Provision for Employees			
	Salaries		-	12,600
b)	Stores, Oil etc consumed		449,332	715,084
c)	Rental of Land, Buildings, Plant and Equipments etc.		5,907,724	3,989,998
d)	Repairs and Maintenance to Furniture, Vehicles etc.		125,087	175,300
e)	Other Operation Expenses		16,281,910	17,157,820
f)	Auditors' Remuneration (Refer note 3 of Schedule "G")		1,792,440	1,584,930
g)	Cost of Services Procured		30,153,181	17,900,373
h)	Miscellaneous Expenses		16,080,710	8,055,775
i)	Tata Brand Equity		7,015,056	6,672,442
j)	Amount Written off - Miscellaneous Expenditure		-	320,331
k)	Insurance		18,031	27,410
l)	Bad Debts		9,428,522	1,584,679
m)	Provision for Doubtful Debts (Net)		17,057,806	6,427,252
			<b>104,309,799</b>	<b>64,623,994</b>
<b>4</b>	<b>INTEREST AND FINANCE CHARGES:</b>			
a)	Interest on Short Term Borrowings		128,977	529,128
b)	Interest on delayed payment of Advance Tax		-	57,832
			<b>128,977</b>	<b>586,960</b>

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**Tata Power Trading Company Limited**

**Schedule "G"**

**Notes forming part of the Accounts**

**Background:**

Tata Power Trading Company Limited is a wholly owned subsidiary of The Tata Power Company Limited. The Company is engaged in the business of trading of electricity across the country. CERC has granted Category "F" certificate to the Company for purposes of power trading, which allows the Company to trade power units without any quantitative restrictions. The Company sources power from different public and private sectors utilities and supplies to various consumers being public and private sectors power utilities. Further, the Company also provides consultancy services relating to procurement/sale of power, coal and Clean Development Mechanism (CDM) advisory services.

**1. Significant Accounting Policies :**

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

The financial statements are prepared under historical cost convention, on accrual basis and in accordance with requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act, which have been notified by the Companies (Accounting Standards) Rules, 2006.

**b) Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/materialized.

**c) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation, amortisation and impairment loss if any. Cost includes purchase price, borrowing costs and all other applicable expenses incurred to bring the assets to its present location and condition.

**d) Depreciation:**

The Company is providing depreciation on fixed assets at the rate prescribed in the Schedule XIV of the Companies Act, 1956 on Straight Line Method (SLM) basis. Depreciation on addition/deduction of assets is provided on pro-rata basis. Assets costing less than Rs. 5,000 are depreciated at the rate of 100%.

Cost of Computer Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use.

**e) Retirement Benefit:**

Contribution to Provident Fund is accounted on accrual basis with corresponding contribution to recognized fund.

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**f) Investments:**

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

**g) Revenue Recognition:**

- i. Revenue from sale of power is accounted for based on rates agreed with the Customers and is inclusive of trading margin.
- ii. Revenue from sale of power under Banking Arrangements is accounted for on gross basis as the Company is the primarily obligor under the Arrangements.
- iii. Revenue in the nature of advisory services rendered towards finalization of power purchase agreements, CDM services, load management etc. is recognized when the fees are determined under the terms of respective agreements.
- iv. Delayed payment charges for power supply on grounds of prudence are recognized when recovery is virtually certain.
- v. Compensation recoverable from customers/suppliers for default in purchase/sale of power is accrued as determined under the terms of respective agreements and acknowledged by customers/suppliers.

**h) Segment Reporting:**

As the Company's business activity consists only of Power Trading and related consultancy activities, as such there are no separate reportable segments as per the requirements of Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.

**i) Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. 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 – (See Note 4). Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is reasonable certainty of realization of such assets. Other deferred tax assets are recognised only to the extent there is virtual certainty of realization in future.

**j) Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in financial statements.

2. No enterprises have been identified as "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the Company. This has been relied upon by the Auditors.

**3. Details of Auditor's Remuneration:**

Particulars	2009-10	2008-09
Audit Fees	976,220	898,880
Taxation Matters	165,450	168,540
Other Services	650,770	505,620
Out of Pocket Expenses	Nil	11,890
<b>Total</b>	<b>1,792,440</b>	<b>1,584,930</b>

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The remuneration disclosed above excludes fees of Rs. 330,900 (31st March, 2009 – Rs. Nil) for professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.

**4. Deferred Tax:**

Deferred Tax (Liability) / Asset as at 31<sup>st</sup> March, 2010 comprises of:

Particulars	2009-10	2008-09
<b>Deferred Tax Liability:</b>		
- Depreciation	(2,480,700)	(261,200)
<b>Total Deferred Tax Liability</b>	<b>(2,480,700)</b>	<b>(261,200)</b>
<b>Deferred Tax Asset:</b>		
- Provision for Doubtful debts	9,908,000	4,110,000
<b>Total Deferred Tax Asset</b>	<b>9,908,000</b>	<b>4,110,000</b>
<b>Net</b>	<b>7,427,300</b>	<b>3,848,800</b>

**5. Managerial Remuneration:**

Managerial Remuneration:

Particulars	2009-10	2008-09
1) Salaries and Allowances	Nil	12,600
2) Contribution to Provident Fund	Nil	Nil
3) Commission to Director	Nil	Nil
4) Remuneration paid to Managing Director on deputation from the Holding Company*	1,800,000	3,900,000
<b>Total</b>	<b>1,800,000</b>	<b>3,912,600</b>

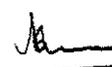
\* Represents amounts charged by the Holding Company.

**6. Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" issued by The Institute of Chartered Accountants of India is as follows:**

(a) Names of the related parties and description of relationship:

S. No.	Name of the related party	Country of origin
<b>Holding Company:</b>		
	The Tata Power Company Ltd. (TPCL)	India
<b>Fellow Subsidiaries (where transactions have taken place during the year):</b>		
1.	North Delhi Power Ltd. (NDPL)	India
2.	Trust Energy Resources Pte. Ltd. (TERPL)	Singapore
<b>Key Management Personnel</b>		
	Amulya Charan	

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## (b) Details of Transactions:

Particulars	TPCL	NDPL	TERL
Purchase of Power	6,167,024,027 <i>1,860,050,107</i>	74,726,675 <i>1,034,512,315</i>	-
Cash Discount earned	104,760,347 <i>34,792,193</i>	1,494,534 <i>20,690,249</i>	-
Purchase of Power under Banking arrangement	- <i>103,494,377</i>	291,402,581 <i>237,728,457</i>	-
Sale of Power	133,761,120 <i>1,126,387,693</i>	1,895,830,589 <i>250,918,478</i>	-
Cash Discount given	2,615,203 <i>22,064,850</i>	717,976 <i>5,010,154</i>	-
Sale of Power under Banking arrangement	- -	468,727,929 -	-
Rendering of services	- -	- -	679,000
Receiving of services	30,559,162 <i>20,081,326</i>	914,664 <i>405,439</i>	-
Compensation paid	16,417,585 -	- -	-
Interest Expenditure	- <i>334,360</i>	- -	-
Dividend paid	25,600,000 <i>14,800,000</i>	- -	-
Inter Corporate Deposit taken and repaid	- <i>825,000,000</i>	- -	-
Repayment of Preference Shares	180,000,000 -	- -	-
<b>Balance outstanding</b>	-	29,581,132	679,000
Other receivable	- -	- -	-
Equity Dividend payable	4,000,000 -	- -	-
Amount payable in respect of Preference Share	- <i>180,000,000</i>	- -	-
Other payable	791,260,216 <i>362,855,986</i>	- <i>189,215,308</i>	-
Guarantees given on behalf of the Company	500,000,000 <i>500,000,000</i>	- -	-

Note: Previous year's figures are in italics




(c) Details of transactions with Key Management Personnel for the current year:

Key Management Personnel	As at 31 <sup>st</sup> March 10 (Rs.)	As at 31 <sup>st</sup> March 09 (Rs.)
Mr. N.K Gupta	Nil	12,600
Mr. Amulya Charan*	1,800,000	3,900,000
<b>Total</b>	<b>1,800,000</b>	<b>3,912,600</b>

\* included in Cost of Services provided.

7. **Earning in Foreign exchange:** 2009-10      2008-09  
679,000      Nil  
 Consultancy Income

8. The year-end foreign currency exposures of USD 15,037.08 (Rs.679,000) (Previous year Rs. Nil) for amount receivable on account of rendering of services have not been hedged by a derivative instrument or otherwise.

9. **Earnings Per Share:**

Particulars	FY 2009-10	FY 2008-09
Net Profit after tax but before appropriations	82,356,015	76,302,614
Less: Dividend on Preference Shares	(10,800,000)	(10,800,000)
Less: Additional Income Tax on Preference Dividend	(1,835,460)	(1,835,460)
Profit Attributable to Equity Share Holders	69,720,555	63,667,154
The weighted average number of Equity Shares	2,038,356	2,000,000
Basic/Diluted Earning Per Share	34.20	31.83

10. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:

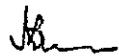
Particulars	FY 2009-10	FY 2008-09
Net Profit before Taxes as per Profit & Loss Account	118,777,515	114,315,064
Add: Managerial Remuneration	1,800,000	3,912,600
Add: Provision for Doubtful Debts	17,057,806	6,427,252
Less: Profit on sale of Investments	31,338	24,168
Add: Loss on sale of Investments	Nil	Nil
Net Profit as per Section 349 of the Companies Act, 1956	<b>137,603,983</b>	<b>124,630,748</b>
Limits specified under the Companies Act, 1956 - 5%	6,880,199	6,233,954
Commission payable to Managing Director/Whole time Director	Nil	Nil

11. Contingent Liabilities pertaining to contractual obligation - Rs.32,566,630 (31<sup>st</sup> March, 2009 Rs. Nil).

12. Capital Commitment not provided for Rs. Nil (31<sup>st</sup> March, 2009 Rs. 325,000).

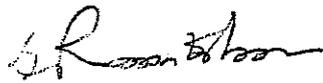
13. Total number of units purchased and sold during the year - 4,075 MUs (Previous Year 2,996 MUs) including under banking arrangement - 84 MUs (Previous Year 59 MUs).

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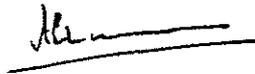
14. Previous years figures are regrouped wherever necessary.

For and on behalf of the Board,



S. Ramakrishnan  
Chairman

Mumbai: 6<sup>th</sup> May, 2010



Amulya Charan  
Managing Director



T. N. Ramakrishnan  
Secretary

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