

## TATA POWER GREEN ENERGY LIMITED

### DIRECTORS REPORT

To The Members  
TATA POWER GREEN ENERGY LIMITED

The Directors hereby present their First Annual Report on the business of the Company and the statement of accounts for the year ended 31<sup>st</sup> March, 2012.

#### 1. OPERATIONS

The Company has not started any Commercial Operations till date.

#### 2. RIGHTS ISSUE

During the year, the Company issued 40,000 Equity Shares of Rs.10/- each aggregating to Rs.4 lakhs.

#### 3. DIRECTORS

Mr S Ramakrishnan, Mr Amulya Charan and Mr Sanjay Dube were named in the Articles of Association as the First Directors of the Company.

Mr Ramakrishnan and Mr Charan resigned with effect from 26<sup>th</sup> May, 2011. The Board has placed on record its appreciation of the valuable contribution made to the Company by Mr Ramakrishnan and Mr Charan.

Mr Sanjay Dube holds office upto the date of the forthcoming Annual General Meeting (AGM) of the Company. A Notice under Section 257 of the Companies Act, 1956 (the Act) has been received from a Member signifying its intention to propose Mr Dube's appointment as Director.

Mr Deepak Mahendra was appointed as an Additional Director of the Company with effect from 24<sup>th</sup> May, 2011 in accordance with Section 260 of the Companies Act. Mr Mahendra holds office only upto the date of the forthcoming Annual General Meeting (AGM) and a Notice under Section 257 of the Act has been received from a Member signifying its intention to propose Mr Mahendra's appointment as a Director.

Mr H M Mistry was appointed as an Additional Director of the Company with effect from 24<sup>th</sup> May, 2011 in accordance with Section 260 of the Companies Act. Mr Mistry holds office only upto the date of the forthcoming AGM and a Notice under Section 257 of the Act has been received from a Member signifying its intention to propose Mr Mistry's appointment as a Director.

#### 4. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, the existing Auditors of the Company hold office till the conclusion of the AGM.

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 Companies Act, 1956, indicated their eligibility for re-appointment.

#### 5. PARTICULARS OF EMPLOYEES

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

6. 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

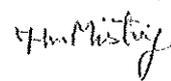
7. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departure;
- 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 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.

On behalf of the Board of Directors

  
Director

  
Director

Mumbai, 23rd April 2012

# Deloitte Haskins & Sells

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

Tel: +91 (022) 6667 9000  
Fax: +91 (022) 6667 9100

## AUDITORS' REPORT TO THE MEMBERS OF TATA POWER GREEN ENERGY LIMITED

1. We have audited the attached Balance Sheet of **TATA POWER GREEN ENERGY LIMITED** (earlier incorporated as Tata Power Green Energy Private Limited) ("the Company") as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the period from 5<sup>th</sup> January, 2011 (date of incorporation) to 31<sup>st</sup> March, 2012, 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 misstatement. 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 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, the Statement of Profit and Loss 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;

# Deloitte Haskins & Sells

- (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 31<sup>st</sup> March, 2012;
  - (ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the period from 5<sup>th</sup> January, 2011 to 31<sup>st</sup> March, 2012 and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period from 5<sup>th</sup> January, 2011 to 31<sup>st</sup> March, 2012.
5. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 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)

*R. K. Banga*

R. A. BANGA  
Partner  
(Membership No. 37915)

(R)

MUMBAI, 23<sup>rd</sup> April, 2012

# 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 (i), (ii), (iv), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of CARO are not applicable.

- (i) According to the information and explanations given to us, the Company has neither granted nor taken any loans secured or unsecured, to or from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (ii) 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.
- (iii) According to information and explanation given to us in respect of Statutory dues,
  - (a) The Company has 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, Custom 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, 2012 for a period of more than six months from the date of they became payable.
  - (c) According to information and explanation given to us, there are no unpaid disputed amounts payable in respect of Income-tax, Wealth Tax, Sales Tax, Service Tax, Custom Duties and Cess, as at 31<sup>st</sup> March, 2012.
- (iv) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

*R. K. Banga*

R. A. BANGA  
Partner  
(Membership No. 37915)

② MUMBAI, 23<sup>rd</sup> April, 2012

**TATA POWER GREEN ENERGY LIMITED**  
 (earlier incorporated as Tata Power Green Energy Private Limited)  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

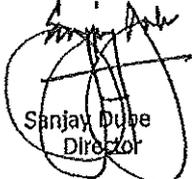
	Notes	As at March 31, 2012 Rupees
<b>I. EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	3	500,000
Reserves and Surplus	4	(107,692)
<b>Total Shareholders' Funds</b>		<b>392,308</b>
<b>Current Liabilities</b>		
Trade Payables		30,337
Other Current Liabilities	5	3,371
<b>Total Current Liabilities</b>		<b>33,708</b>
<b>Total</b>		<b>426,016</b>
<b>II. ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	6	426,016
<b>Total Current Assets</b>		<b>426,016</b>
<b>Total</b>		<b>426,016</b>

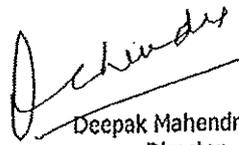
**III. See accompanying notes forming part of the Financial Statements**

In terms of our report attached  
 FOR DELOITTE HASKINS & SELLS  
 Chartered Accountants

*R. A. Banga*  
 R. A. Banga  
 Partner

For and on behalf of the Board of Directors

  
 Sanjay Dube  
 Director

  
 Deepak Mahendra  
 Director

*Hanoz Mistry*  
 Hanoz Mistry  
 Director

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MUMBAI, 23rd April, 2012

MUMBAI, 23rd April, 2012

**TATA POWER GREEN ENERGY LIMITED**  
 (earlier Incorporated as Tata Power Green Energy Private Limited)  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 5TH JANUARY, 2011 TO 31ST MARCH, 2012**

	Notes	March 31, 2012 Rupees
I. Expenses		
Operation and other expenses	7	107,692
<b>Total Expenses</b>		<b>107,692</b>
II. Loss before tax		<b>(107,692)</b>
III. Loss for the period		<b>(107,692)</b>
IV. Earnings per equity share Basic and Diluted Rupees (face value of Rs. 10 each)	8	(2.58)
V. See accompanying notes forming part of the Financial Statements		

In terms of our report attached  
 FOR DELOITTE HASKINS & SELLS  
 Chartered Accountants

*R. A. Banga*  
 R. A. Banga  
 Partner

For and on behalf of the Board of Directors

*Sanjay Dube*  
 Sanjay Dube  
 Director

*Deepak Mahendra*  
 Deepak Mahendra  
 Director

*Hanoz Mistry*  
 Hanoz Mistry  
 Director

MUMBAI, 23rd April, 2012

MUMBAI, 23rd April, 2012

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**TATA POWER GREEN ENERGY LIMITED**  
 (earlier incorporated as Tata Power Green Energy Private Limited)  
**CASH FLOW STATEMENT FOR THE PERIOD FROM 5TH JANUARY, 2011 TO 31ST MARCH, 2012.**

	Period ended March 31, 2012 Rupees
<b>A. Cash Flow from Operating Activities</b>	<b>(107,692)</b>
Loss before Tax	(107,692)
Adjustment for :	13,000
Share Issue expenses	13,000
Adjustments for change in working capital :	
Trade Payables	30,337
Other Current Liabilities	<u>3,371</u>
	<u>33,708</u>
<b>Net Cash used in Operating Activities</b>	<b><u>(60,984)</u></b>
<b>B. Cash Flow from Investing Activities</b>	-
<b>Net Cash from Investing Activities</b>	<u>-</u>
<b>C. Cash Flow from Financing Activities</b>	500,000
Issue of Equity Shares	500,000
Share Issue expenses	<u>(13,000)</u>
<b>Net Cash from Financing Activities</b>	<u>487,000</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>426,016</u>
<b>Cash and Cash Equivalent at the beginning of the period</b>	-
<b>Cash and Cash Equivalent at the end of the period</b>	<u>426,016</u>

**Cash and Cash Equivalents include :**

Current Account with Scheduled Bank	426,016
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**See accompanying notes forming part of the Financial Statements**

In terms of our report attached  
 FOR DELOITTE HASKINS & SELLS  
 Chartered Accountants

*R. A. Banga*  
 R. A. Banga  
 Partner

For and on behalf of the Board of Directors

*Sanjay Dube*  
 Sanjay Dube  
 Director

*Deepak Mahendra*  
 Deepak Mahendra  
 Director

*Hanoz Mistry*  
 Hanoz Mistry  
 Director

MUMBAI, 23rd April, 2012

MUMBAI, 23rd April, 2012

**TATA POWER GREEN ENERGY LIMITED**  
(earlier incorporated as Tata Power Green Energy Private Limited)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1) CORPORATE DISCLOSURES**

Tata Power Green Energy Limited was originally incorporated on 5th January, 2011 under the Companies Act, 1956 as Tata Power Green Energy Private Limited. It was later incorporated as Tata Power Green Energy Limited on 19th May, 2011.

The Principal business of the Company is to engage in all aspects of the business of generation, including captive generation and sale of electrical energy, and all form or energy.

Its registered office is at B Block, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009.

**2) SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis for accounting and preparation of financial statements:**

The financial statements are prepared under historical cost convention on accrual basis and comply in all material respects with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**(b) Use of estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**(c) Going Concern :**

In view of the planned 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.

**(d) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(e) Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provision of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**(f) Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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.

**TATA POWER GREEN ENERGY LIMITED (earlier incorporated as Tata Power Green Energy Private Limited)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**3) SHARE CAPITAL**

	As at March 31, 2012 Rupees
Authorized 50,000 equity shares of Rs. 10/- each	500,000
	500,000
Issued, subscribed and fully paid-up 50,000 equity shares of Rs. 10/- each	500,000
Total issued, subscribed and fully paid-up	500,000

**a. Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders approval. Dividends are paid in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- b.** The Company is a wholly owned subsidiary of Af-Taab Investment Company Limited, the ultimate Holding Company, being The Tata Power Company Limited.

**4) RESERVES AND SURPLUS**

	As at March 31, 2012 Rupees
(Deficit) in Statement of Profit and Loss	
Loss for the period	(107,692)
(Deficit) at the end of the year	(107,692)

**5) OTHER CURRENT LIABILITIES**

	As at March 31, 2012 Rupees
Other liabilities	
Statutory Liabilities	3,371
	3,371

**6) CASH AND CASH EQUIVALENTS**

	As at March 31, 2012 Rupees
Balances with banks:	
In Current Accounts	426,016
	426,016

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**TATA POWER GREEN ENERGY LIMITED (earlier incorporated as Tata Power Green Energy Private Limited)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**7) OPERATION AND OTHER EXPENSES**

	As at March 31, 2012 Rupees
(a) Legal Expenses	1,200.00
(b) Professional Fees	43,605.00
(c) Share Issue expenses	13,000.00
(d) Auditors Fees	33,708.00
(d) Preliminary expenses	10,900.00
(e) Miscellaneous Expenses	5,279.00
	<b>107,692.00</b>

**Payment to auditors**

	As at March 31, 2012 Rupees
<b>As statutory auditors:</b>	
Audit fees	33,708.00
	<b>33,708.00</b>

**8) EARNINGS PER SHARE (EPS)**

	March 31, 2012
Loss attributable to equity shareholders (Rupees)- (A)	(107,692)
The weighted average number of equity shares (Nos.)- (B)	41,681
The nominal value per equity shares (Rupees)	10
Basic Earnings Per Share = (A)/(B)	(2.58)

**9) MICRO, SMALL AND MEDIUM ENTERPRISES DISCLOSURES**

During the period there are no transactions with 'suppliers' as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

**10) SEGMENT DISCLOSURES**

As the Company has not commenced commercial operations, hence Accounting Standard 17 on "Segment Reporting" is not applicable for the current period.

**11) RELATED PARTY DISCLOSURE**

Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" are as follows:

- a) Name of the related parties and description of relationship
1. Holding Company : Af-Taab Investment Company Limited
  2. Ultimate Holding Company : The Tata Power Company Limited
- b) Details of Transactions with Holding Company
1. Equity Contribution received : Rs. 500,000

- 12) These financial statements are for the period from 5th January, 2011 (being the date of incorporation) to 31st March, 2012 being the first financial year. Accordingly no previous year figures are to be disclosed.