

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

TWELFTH ANNUAL REPORT

2010-2011

STATUTORY AUDITOR

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

# **TARINI INTERNATIONAL LIMITED**

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

**NOTICE** is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the Members of **TARINI INTERNATIONAL LIMITED** will be held on Friday, 30<sup>th</sup> September' 2011 at 11.00 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' 2011 and the Balance Sheet as on that Date, together with the Report of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mrs. Anu Naidu, who is retiring by rotation and being eligible, offers herself to be re-appointed.
3. To appoint Director in place of Mr. Vakamulla Chandrashekhar, who is retiring by rotation and being eligible, offers himself to be re-appointed.
4. To Reappoint **M/s. V C G & CO.**, Chartered Accountants, 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.
5. To Reappoint **M/s. BANSAL MANISH & CO.**, Company Secretaries, as Secretarial Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

## **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Mr. Abhilash Chand Jain who was appointed as Additional Director by the Board on 16<sup>th</sup> May 2011 pursuant to Article 27 of the erstwhile Articles of Association of the Company and who hold office until the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company."

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

**"RESOLVED THAT** Mr. Ponnu Swami Sethu Seshan who was appointed as Additional Director by the Board on 19<sup>th</sup> August' 2011 pursuant to Article 89 of the Articles of Association of the Company and who hold office until the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company."

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

**"RESOLVED THAT** Mr. T. V. Manoharan who was appointed as Additional Director by the Board on 19<sup>th</sup> August' 2011 pursuant to Article 89 of the Articles of Association of the company and who hold office until the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company."

*[Handwritten signature]*

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

**"RESOLVED THAT** in accordance with the Provisions of Section 269 read with Schedule XIII and Section 317 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions content in Article 116 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for the appointment of **Mr. Vakamulla Chandrashekar** as Chairman cum Managing Director of the Company for a period of 3 (three) years from 1<sup>st</sup> October 2011 to 30<sup>th</sup> September'2014.

**RESOLVED FURTHER THAT** in accordance with the Provisions of Section 198, 269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions content in Articles of Association of the Company, the consent of the Company be and is hereby accorded to for remuneration of **Mr. Vakamulla Chandrashekar**, Chairman cum Managing Director by way of Salary, perquisite and other entitlements as per terms and conditions summarized in Explanatory Statement with effect from 1<sup>st</sup> October'2011 to 30<sup>th</sup> September'2014 i.e. for the period of three (3) years."

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

**"RESOVLED THAT** pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money in any manner from time to time as may be required for the purpose of business of the company with or without security and upon such terms and conditions as they may think fit, notwithstanding that moneys to be borrowed including by way of issue of debt instrument/NCDs together with the moneys already borrowed by the Company may exceed to aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not exceed Rs. 200 Crores (Rupees Two Hundred Crores Only).

**"RESOLVED FURTHER THAT** pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company to create such charges, mortgages, hypothecations and encumbrances on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, provided that the aggregate amount of such loans excluding the interest thereon, additional interest, compound interest, liquidated damages, commitment charges and all other monies payable by the Company in respect of the said loans, shall not at any time exceed the limit of Rs. 200 Crores (Rupees Two Hundred Crores Only)."

11. **To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:**

**"RESOLVED THAT** the Authorised Share Capital of the Company be and is hereby increased from Rs.2,50,00,000/- (Rupees Two Crore Fifty Lacs only) divided into 25,00,000 (Twenty Five Lacs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.13,00,00,000/- (Rupees Thirteen Crore only) divided into 1,30,00,000 (One Crore Thirty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each."

*V. C. Chandrashekar*

**"RESOLVED THAT** "Clause V" of the Memorandum of Association of the Company be altered by substituting the words

"The Authorized Share Capital of the Company is Rs.13,00,00,000/- (Rupees Thirteen Crores only) divided into 1,30,00,000 (One Crore Thirty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each."

**12. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

**"RESOLVED THAT** in pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "**Companies Act**") and subject to and in accordance with any other applicable law or regulation in India or outside, including, without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time ("**SEBI ICDR Regulations**") (together "**Applicable Laws**"), and subject to applicable provisions of any other rules, regulations and guidelines of Securities and Exchange Board of India ("**SEBI**"), Foreign Exchange Management Act, 1999 and the regulations issued there under and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and the listing agreements to be entered into by the Company with Bombay Stock Exchange Limited and/or the National Stock Exchange of India Limited and/or any other stock exchanges (together "**Stock Exchanges**") where the shares of the Company are proposed to be listed as determined by the board of directors of the Company ("the "**Board**") at its absolute discretion, and subject to any requisite approvals, consents, permissions and/or sanctions, if any, of the Government of India ("**GOI**"), Reserve Bank of India ("**RBI**"), Foreign Investment Promotion Board ("**FIPB**"), the Stock Exchanges, Registrar of the Companies, Delhi & Haryana ("**ROC**"), and all other appropriate authorities, regulatory or otherwise, to the extent necessary, and subject to such conditions and modifications as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board, with the consent and approval of the members, the Board be and is hereby authorised to create, offer, issue and allot such number of equity shares of the Company of face value of Rs. 10 each ("**Equity Shares**") such that the total amount to be raised including the amount of securities premium by such offerings shall not exceed **Rs. 60 crores (in figures, Rupees sixty crores)** which shall include, without limitation, reservation of a certain number of Equity Shares for any category or categories of persons as permitted under Applicable Laws, of up to a certain number of Equity Shares in accordance with Applicable Laws, by way of an initial public offer ("**Issue**") of Equity Shares to such person or persons, who may or may not be the members of the Company and as the Board may at its sole discretion decide including individuals, foreign resident investors, companies, private or public or other entities or corporate bodies, banks, financial institutions, employees, Qualified Institutional Buyers, Non-Resident Indians, Foreign Institutional Investors ("**FIIs**"), sub account of FIIs, venture capital funds registered with SEBI (VCFs), foreign venture capital investors, Indian and/or multilateral financial institutions, mutual funds, Insurance Companies registered with IRDA, employees of the Company or members of group companies and other persons, whether resident in India or otherwise and whether they are members of the Company or otherwise, and such other persons in one or more combinations thereof and/or any other categories of investors eligible to invest in the Equity Shares under Applicable Laws, including anchor investors as defined under the SEBI ICDR Regulations through issue of offer document/s, in one or more modes or combination

*A. C. Shrivastava*

thereof and in one or more tranches, and in such manner and on such terms and conditions as may be decided by the Board in consultation with its lead manager(s)/ book running lead manager(s), for cash at such price or prices (at par or premium), as may be determined by the Company through book building process in consultation with book running lead manager(s), on such terms and conditions as may be decided by and deemed appropriate by the Board in its absolute discretion and in accordance with the SEBI ICDR Regulations and other provisions of Applicable Laws as may be prevailing at the time."

**"RESOLVED FURTHER THAT** the consent of the members of the Company is accorded to do all such other acts, deeds, matters and things as it may from time to time, in its absolute discretion decide and including without limitation, to negotiate finalise and execute any document or agreement and any amendments or supplement thereto and generally to do all such acts, deeds, matters and things in relation to all matters incidental or in relation to the Issue and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing."

**"RESOLVED FURTHER THAT** the Board be and are hereby authorised in its discretion to accept such conditions and modifications as may be prescribed by SEBI/Stock Exchanges/ROC or RBI or any other authority while according consent or sanction to the proposed Issue of Equity Shares including variation, if any, in the proposed amount of premium and take such consequential action thereon, including the authority to revise/adjust the value/quantum of Equity Shares reserved for any category or any portion thereof in such manner as may be beneficial to the Company in the event of such variation being considered expedient."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the Issue, offer or allotment of the Equity Shares and the utilization of the issue proceeds as it may deem fit and to give such directions and/or instructions as it may from time to time decide and to make, to accept and give effect to such modifications, changes, variations, alterations, deletions and additions as regards the terms and conditions, including the premium to be charged on the shares, the size of the issue, the appointment of lead managers, banks or other authorities or agencies or intermediaries concerned or otherwise as the Board may suo motto decide in its absolute discretion in the best interests of the Company without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such related acts, deeds, matters and other things whatsoever, including settle any question, doubt or difficulty that may arise with regard to or in relation to raising of resources as authorised herein, and that all or any of the powers conferred on the Board vide this resolution may be exercised by the Board."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board, in consultation with the lead managers, underwriters, advisors and or other persons as appointed by the Company, be and is hereby authorised to determine the form, terms and timing of the Issue(s) including the investors to whom the Equity Shares are to be allotted, issue price (including premium, if any), number of Equity shares, premium on issue price, listing on Stock Exchanges and related or incidental matters, as the Board in its absolute discretion deem fit and accept any modifications in the proposal as may be required by the authorities in such issues in India and/or abroad."

*J. C. Shinde*

**"RESOLVED FURTHER THAT** the new Equity Shares allotted pursuant to the Issue shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** the consent of the members of the Company is accorded to negotiate, finalize and execute any document or agreement, including without limitation any documents or any amendments or supplements thereto and to open any bank account for the purpose if required, and to open any shares or securities account or escrow or custodian accounts as may be required in connection therewith and generally to do all such acts, deeds, matters and things in relation to all matters incidental in relation to the Issue and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing."

**"RESOLVED FURTHER THAT** over subscription to the extent of 10% of the Issue be retained for the purpose of rounding off while finalizing the basis of allotment."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any alteration or addition or modification or vary any of the above clauses in the proposal as may be required by the authorities involved in such issues but subject to such conditions as book running lead manager(s)/SEBI/GOI/RBI or such other appropriate authorities, inside or outside India, may impose at the time of their approval and as agreed to by the Board."

**"RESOLVED FURTHER THAT** the Board be and is hereby entitled to appoint or enter into and execute all such arrangements/agreements, with any lead manager(s) / underwriters / guarantors / depositories / listing agents / trustees / legal counsels / custodians / process agents / advisors and all such agencies or entities or intermediaries, inside or outside India, as may be involved or concerned with the Issue/offering of securities and to remunerate all such agencies and entities as may be involved in cash or otherwise including by way of payment of commission, brokerage, fees, expenses incurred in relation to the Issue/ offering of Equity Shares and other expenses, if any or the like, subject to applicable laws and regulations."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities."

**"RESOLVED FURTHER THAT**

1. All the monies received out of the Issue of Equity Shares to the public shall be transferred to separate bank account other than the bank account referred to in Sub-section (3) of Section 73 of the Companies Act;
2. Details of all monies utilized out of the Issue referred to in sub-item 1 above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilized; and
3. Details of all un-utilized monies out of the issue of Equity Shares, if any, referred to in sub-item 1 above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such un-utilized monies have been invested."

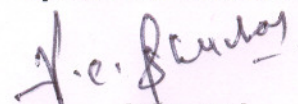
*J. R. Shrivastava*

**"RESOLVED FURTHER THAT** any of the directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to file the requisite forms with the Registrar of Companies, and to execute and sign the documents including consent letter, power of attorney, certificates etc., as may be required in connection with the above and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company;"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee thereof give effect to the aforesaid resolutions."

Date: 05.09.2011  
Place: New Delhi

**By Order of the Board**

  
(Director)

**NOTES** (forming part of the Notice):

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

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

**ITEM NO.6**

With a View to strengthen the Board of Directors of the Company, Mr. Abhilash Chand Jain was appointed as an Additional Director on 16<sup>th</sup> May 2011 pursuant to Article 27 of the erstwhile Articles of Association of the Company and who holds office until the conclusion of this Annual General Meeting in terms of Section 260 of the Act. Mr. Abhilash Chand Jain is a qualified Chartered Accountant who has vast experience in Accounts and Finance and associated with the Company since long. His appointment as Director will impact positively towards the overall working and financial management. Hence approval of the shareholders is sought of his re-appointment as regular director.

A notice in this regard is received pursuant to provisions of Section 257 of the Companies Act, 1956 with the initial deposit of Rs.500/- by a member of the Company and shall be refundable if the proposed resolution will be carried.

No Directors except Mr. Abhilash Chand Jain is deemed to be concerned or interested in the resolution, as it pertains to his appointment.

**ITEM NO.7 & 8**

Towards the compliance of Corporate Governance Guidelines and fulfillment of requirements of several provisions of Companies Act, 1956 and also in view of SEBI Guidelines and listing norms taking into consideration proposed IPO Mr. P. Swami Sethu Seshan and Mr. T.V. Manoharan were appointed as an Independent Additional Directors of the Company by the Board on 19<sup>th</sup> August 2011 pursuant to Article 89 of the Articles of Association of the Company and who hold office until the conclusion of this Annual General Meeting.

Mr. P. Swami Sethu Seshan is a qualified and experienced person and the company will be benefited with his experience and accordingly approval of the shareholders is sought for his re-appointment as regular director on the Board as Independent Director.

Mr. T. V. Manoharan is qualified person having unmatched experience in the field of strategy planning and team leadership. The Board recommends his re-appointment as regular director on the Board as Independent Director.

A notice in this regard is received pursuant to provisions of Section 257 of the Companies Act, 1956 with the initial deposit of Rs.500/- by members separately and shall be refundable if the proposed resolution will be carried.

None of the Directors except Mr. P. Swami Sethu Seshan & Mr. T. V. Manoharan is deemed to be concerned or interested in the resolutions at item no.7 & 8 of the Notice, as it pertains to their appointments.

**ITEM NO.9**

Mr. Vakamulla Chandrashekhar, a qualified engineer, is a promoter director since inception of the Company who promoted the Company with the aim and objective to be a giant in power sector. His continuous efforts for more than a decade result the Company's name and presence globally. Today, 'TARINI' is well known name in power sector especially in Transmission Lines and Hydro Power consultancy. Keeping into consideration his dedication and contribution towards the business of the Company, the Board of Directors in their meeting on 1<sup>st</sup> April 2010 has decided to increase his remuneration for Rs.400,000/- per month. Since the Company has now converted into Public Limited Company with proposed expansion and IPO, Mr. V. Chandrashekhar is proposed to be appointed as Managing Director for a period of 3 (three) years from 1<sup>st</sup> October' 2011 to 30<sup>th</sup> September' 2014 and for the payment of Salary and other perquisite as detailed below:

*V. Chandrashekhar*



REMUNERATION:

- (i) **Salary:** Rs.400,000/- (Rupees Four Lac only) per month.

**In addition to the Salary, the Managing Director is entitled to the following benefits:**

- (ii) **Furnished Accommodation:** The Managing Director, since required dedicated separate space for the Company's Business commitments and also to maintain high degree of standards as per the profile, he is entitled for furnished residential accommodation.
- (iii) **Commission:** Commission as agreed from time to time subject to the provisions under the Companies Act, 1956 and other applicable provisions of any other enactment provided that the maximum commission in any financial year should not exceeds Rs.500,000/-.
- (iv) **Perquisites:**  
**Medical Reimbursement:** Reimbursement of Medical Expenses incurred for self and family subject to a ceiling of Rs.250000/- per annum in a year or Rs.750000/- over a period of three years. It also includes reimbursement of Medi-claim policy taken be the Managing Director.  
**Insurance:** The life and personal accident insurance cover shall be as per the policy of the company.  
**Leave Travel Concession:** Leave Travel Concession for self and family, once in a year incurred in accordance with the Rules of the Company, not exceeding Rs.50000/- per annum.  
**Club Fees:** Fees of clubs subject to a maximum of two clubs. It also includes admission and life membership fees paid.
- (v) **Earned Leave:** Earned Leave on full pay and allowances as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the Tenure will not be included in the computation of the perquisite.
- (vi) **Car & Telephone:** for use on Company's business and telephone and/or cellular phone will not be considered as perquisites. Personal long distance calls on phone and use of car for private purposes shall be billed by the Company.

The aggregate of the salary and all perquisites as enumerated above, shall at no time exceed the limits as may be prescribed from time to time under the provisions of the Companies Act, 1956, schedules thereto and rules there under, as well as any other statutory provisions as may be applicable. Payment and entitlement of Gratuity and other superannuation benefits shall remain as per the policy of the Company.

The Managing Director shall not be eligible for any sitting fees for the Company's Board Meetings. The above details may please be treated as an abstract of the Terms & Conditions of appointment under section 302 of the Companies Act, 1956.

None of the Directors other than Mr. V. Chandrashekhar is concerned or interested in the proposed resolution. Your Directors recommend the Resolutions for your approval.

**ITEM NO.10**

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors can not, except with the consent of the Company in General Meeting, borrow money apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves, viz., reserves not set apart for any specific purpose.

The Company is making continuous efforts towards business expansion and keeping into consideration the future working of the Company it will be inevitable to avail the Credit facilities from Banks/financial institutions. Therefore, it is considered necessary to increase the overall limit for borrowing by the Board of Directors to Rs.200 Crores (Rupees Two Hundred Crores only)

*V. Chandrashekhar*

All borrowings are to be secured by way of Charge/Mortgage/Hypothecation on the Company's assets in favour of Banks/Financial Institutions. As the documents to be executed between the Bank/Financial Institutions and the Company, may contain the power to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company, the consent of the Shareholders is also sought under Section 293(1)(a) of the Companies Act, 1956 for creation of Charge/ Mortgage/ Hypothecation for an amount not exceeding the borrowing limit of Rs.200 Crores (Rupees Two Hundred Crores only).

The Board recommends the adoption of the Resolution.  
None of the directors of the Company is concerned or interested in the Resolution.

**ITEM NO. 11**

The present Authorised Share Capital of the Company is Rs.2,50,00,000/- divided into 25,00,000 Equity Shares of Rs.10/- each. Having regard to the anticipated growth of the Company in future, it is proposed to increase the Authorized Share Capital of the Company. Hence the resolution at Item No.11 of the accompanying Notice. The Authorised Capital of the Company be increased from Rs. 2,50,00,000/- to Rs. 13,00,00,000/- and accordingly the Clause No. 'V' of the Memorandum of Association of the Company be altered. Section 94(1)(a) of the Companies Act, 1956 requires an Ordinary Resolution for increase in Authorised Capital.

The Board recommends the adoption of the Resolution.  
None of the directors of the Company is concerned or interested in the Resolution.

**ITEM NO.12**

To meet the needs of business expansion including hydro power generation, distribution, transmission and consultancy in India and abroad, the directors of your company have thought fit to raise funds by offering further equity shares of Rs. 10/- each to any person (whether or not the applicant is an existing shareholder). The provisions of section 81 (1A) of the Companies Act,1956 read with the Articles of Association of the company requires approval of members in general meeting for offering further shares to any purpose in any manner up to the extent of authorized share Capital of the company.

The size of the IPO, number of shares offered, price of the offering will be decided in consultation with the BRLMs.

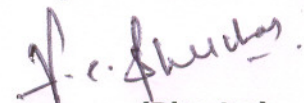
Taking into consideration proposed IPO and issue size and quantum of premium etc. has not yet decided, the disclosure requirements towards Unlisted Public Companies (Preferential Allotment) Rules, 2003 has not been given.

Your approval is required to pass the aforesaid resolution as a Special Resolution.

None of the Directors of the company is in any way, concerned or interested in the above resolutions except to the extent of the equity shares held by them and that may be allotted to them, if any.

Date: 05.09.2011  
Place: New Delhi

**By Order of the Board**

  
(Director)

# **TARINI INTERNATIONAL LIMITED**

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

## **DIRECTORS' REPORT**

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

### **FINANCIAL HIGHLIGHT:**

| <b><u>PARTICULARS</u></b>                     | <b>(Rs. in Lacs)</b>                            |   |
|---|---|---|
|   | <b><u>As on</u></b><br><b><u>31.03.2011</u></b> | <b><u>As on</u></b><br><b><u>31.03.2010</u></b> |
| Income from Consultancy & Maintenance         | 292.83  | 298.47  |
| Income from other sources                     | 5.54  | 69.18   |
| Total Income                                  | 298.37  | 367.66  |
| Depreciations                                 | 5.16  | 5.11  |
| Profit after depreciation but before Taxation | 51.81   | 264.66  |
| Provision for Taxation & Deferred Tax         | 22.74   | 89.01   |
| Profit after Taxation                         | 29.07   | 175.65  |

### **OPERATIONS:**

During the year 2010-11, the Company has recorded slightly low income from operations and the profitability was affected due to increased cost and expenses towards future business generations which will result positively in following financial years. Your Company has recorded a turnover income of INR 298.37 Lacs. However, on the Profit side, the profit after tax (after providing Deferred Tax provision) was decreased to INR 29.07 Lacs.

In the coming FY, the company is involved in consultancy and execution several small hydro projects (SHP) as well as transmission and distribution (T&D) projects in pipeline on turn key basis which shall generate a revenue of Rs 10 crores, domestically and another Rs 10 crores internationally.

The company intends to develop its own, self identified 5 MW Kanatyatana mini small hydro project in Karnataka under IPP and shall soon be taking up the execution of the same. The project is scheduled to be completed in 2 years time and is proposed to generate approx. 35 Million KWH approx annually adding steady revenue in the company's finances for next 40 years

With the company's presence and reputation in African region, it has been quite successful in further establishing contacts with various high level resources and local Power Utilities / State electricity boards and Agencies in African countries wherein India and the world Bank or ADB is involved in provisioning Line of Credit to bag contracts by way of negotiations.

The Company is firmly supported by the pillars of highly qualified, focused and determined Key Managerial Persons (KMP) in technical as well as financial fields and the company enjoys the special privilege of being associated with some of the world leading Companies as JV/ Partners. Not only that company enjoys a credible name in the industry over the years as an pioneer of vision and executing high value projects in critical sectors like energy in highly challenging conditions be it geographical terrains or inherent Government perceptions and interferences whether private or public

The Company has bid for various other T & D Projects which are under review and a few under active consideration with the concerned Government Agencies / State Power Companies in Africa

The company has also been invited by the Govt. of Guinee (Africa) to refurbish 6 nos. of semi non operational hydro projects. The technical team shall be carrying out reconnaissance during September 2011 in order to take up full refurbishment of the vintage hydro projects which will be a major task worth USD 10 million. The said project is likely to commence in the third quarter of financial year 2011-12.

*A. S. Shrivastava*

### **EARNING PER SHARE:**

The company's Earning per share has decrease from Rs. 21.09 per share to Rs.3.49 per Share, recorded decrease in EPS of Rs.17.6 per share. Your company will expect to grow in the years to come for which the management have already taken the necessary initiative with positive energy.

### **DIVIDEND:**

To strengthen the financial position of the Company, it is proposed to retain the profit in the business. No dividend is being recommended for the year ended on 31.03.2011.

### **DIRECTORS:**

In accordance with the Article 86 of the Articles of Association of the Company read with section 255/256 of the Companies Act, 1956, Mr. Vakamulla Chandrashekhar and Mrs. Anu Naidu, Directors of the Company 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.

Mr. Abhilash Chand Jain was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 whose office as director is subject to termination in the ensuing Annual General Meeting. Your Directors proposed his appointment as regular Director on the Board u/s 257 of the Act and respective resolution has been given as Item No.6 under Special Business with the recommendation to pass the same as Ordinary Resolution as in the best interest of the Company.

Mr. P. Swami Sesthu Seshan & Mr. T. V. Manoharan were appointed as Independent Directors on the Board who are at present Additional Directors in terms of Section 260 of the Companies Act, 1956 whose office as directors is subject to termination in the ensuing Annual General Meeting. Your Directors proposed their appointment as regular Directors on the Board u/s 257 of the Act and respective resolution has been given as Item No.7 & 8 under Special Business with the recommendation to pass the same as Ordinary Resolution as in the best interest of the 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.

### **SECRETARIAL AUDITORS:**

Towards the good gesture and strict adherence to the timely compliances and commitment for excellence, the Board of Directors of your Company appointed *M/S BANSAL MANISH & CO.*, Company Secretaries, New Delhi as Secretarial Auditors of the Company.

### **COMPLIANCE CERTIFICATE:**

In terms of the proviso to sub section (1) of Section 383A of the Companies Act, 1956, Compliance Certificate issued by *M/S BANSAL MANISH & CO.*, Company Secretaries for the financial year 2010-11 is enclosed.

### **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.

*A. S. Seshan*

## **CONVERSION:**

You are hereby informed that Company has been converted into Public Ltd company from Pvt Ltd with effect from 08.07.2011 thereby enabling the company to seek wider horizons and at the same time being more adaptable with future growth plans .

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

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

|                                  | <u>2010-11</u> | <u>2009-10</u> |
|----------------------------------|----------------|----------------|
| Foreign Exchange earning (Rs.) - | NIL            | US\$451,000    |
| 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, 2011:

- (i) That in preparation of the annual accounts, the applicable accounting standards has been followed.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31<sup>st</sup> march, 2011 and the profit of the Company for the year ended on that date.
- (iii) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities.
- (iv) The annual accounts have been prepared on a "going concern" basis.

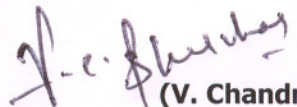
## **ACKNOWLEDGEMENT:**

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:** 05.09.2011

**Place:** New Delhi

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



**(V. Chandrashekhar)**  
**Chairman**

**VCG & Co.**  
Chartered Accountants

**AUDITORS' REPORT**

**TO THE MEMBERS OF TARINI INTERNATIONAL PRIVATE LIMITED**

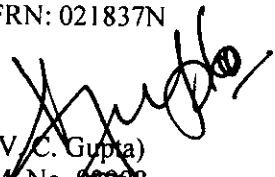
1. We have audited the attached Balance Sheet of Tarini International Private Limited as at March 31, 2011 and also the profit and loss account of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement for the year ended March 31, 2011 on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure to in paragraph 3 above, we state that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books;
  - c) the Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet and the Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors of the company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

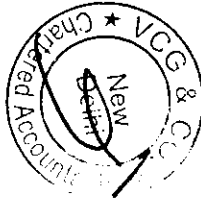


f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- ii) in the case of the profit and loss account, of the Profit of the company for the year ended on that date.

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

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



New Delhi, September 1, 2011

**VCG & Co.**  
Chartered Accountants

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

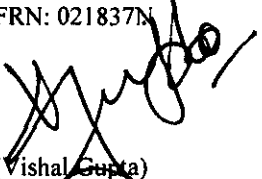
- 1 a) The Company is maintaining fixed assets records to show full particulars including quantitative details and situation of fixed assets.
- b) According to the explanations and information given to us, the fixed assets are periodically verified by the management
- c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the company during the year
- 2 As per information and explanations provided to us, the Company does not have any inventory and as such clauses (ii)(a) to (ii)(c) are not applicable
- 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.117.93 Lacs was outstanding during the year from 2 persons. 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. In respect of the aforesaid loan, there is no stipulation on the period within which such loan / interest is repayable.
- 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. 532.53 Lacs was outstanding during the year from 5 persons. 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. 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 have internal audit system during the year commensurate with its size and its buissness.
- 8 The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.





- 9 a) As explained to us, the statutory dues payable by the Company comprise of income-tax and Service tax. 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 aforesaid undisputed statutory dues with the appropriate authorities. There are undisputed statutory dues of income tax amounting to Rs11,580 as at March 31, 2011 outstanding for the period of more than six months from the date they became payable.
- b) As on March 31, 2011 according to the information and explanations given to us, and records of the company, there are no undisputed amounts payable in respect of Income-tax, wealth tax, sales tax, service tax, customs duty and excise duty and cess matters that have not been deposited by the company.
- 10 The Company does not have accumulated losses at the end of the financial year March 31, 2011. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2011 and in the immediately preceding financial year.
- 11 According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks during the year.
- 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 In our opinion the terms and conditions on which the company has given the guarantees by way of equitable mortgage of its immovable property for loans taken by other companies / directors from banks or financial institutions are prima facie not prejudicial to the interest of the company.
- 16 According to the information and explanations given to us, the term loans taken have been applied for the purpose for which they were raised.
- 17 According to the information and explanations given to us and on the an overall examination of the balance sheet of the company, we report that short term funds have not been used during the year to finance long term investments.
- 18 The company has not made any preferential allotment of shares during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised money by way of public issue during the year.
- 21 Based upon the audit procedures performed information and explanations given to us, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2011.

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

  
(Vishal Gupta)  
M. No. 93908  
Partner



New Delhi, September 1, 2011



**TARINI INTERNATIONAL LIMITED**  
Formely known as TARINI INTERNATIONAL PRIVATE LIMITED)  
**BALANCE SHEET AS AT MARCH 31, 2011**

|  | Schedule Reference | As at<br>March 31, 2011<br>(Amount in Rs.) | As at<br>March 31, 2010<br>(Amount in Rs.) |
|--|--------------------|--|--|
| <b>SOURCES OF FUNDS</b>                            |                    |  |  |
| <b>Shareholders funds:</b>                         |                    |  |  |
| Share capital                                      | 1                  | 8,327,000                                  | 8,327,000                                  |
| Reserves & surplus                                 | 2                  | 35,150,577                                 | 32,242,816                                 |
| Share application money                            |                    | 14,000,000                                 | -  |
| <b>Loan Fund :</b>                                 |                    |  |  |
| Secured loan                                       | 3                  | 38,738,793                                 | 38,572,336                                 |
| Unsecured loan                                     | 4                  | 55,407,253                                 | 23,206,064                                 |
| Deferred tax liability                             |                    | 360,325                                    | -  |
|  |                    | <b>151,983,948</b>                         | <b>102,348,216</b>                         |
| <b>APPLICATION OF FUNDS</b>                        |                    |  |  |
| <b>Fixed assets :</b>                              |                    |  |  |
| Gross block  | 5                  | 46,944,527                                 | 44,737,649                                 |
| Less: Accumulated depreciation                     |                    | 2,564,852                                  | 2,048,452                                  |
| Net block  |                    | 44,379,675                                 | 42,689,197                                 |
| <b>Investments</b>                                 | 6                  | 114,850,000                                | 51,661,000                                 |
| Deffered tax asset                                 |                    | -  | 132,407                                    |
| <b>Current Assets, Loans &amp; Advances</b>        |                    |  |  |
| Sundry debtors                                     |                    | -  | -  |
| Cash & bank balances                               | 7                  | 291,915                                    | 155,878                                    |
| Loans & advances                                   | 8                  | 21,315,133                                 | 60,249,049                                 |
|  |                    | <b>21,607,047</b>                          | <b>60,404,927</b>                          |
| <b>Less : Current Liabilities &amp; Provisions</b> |                    |  |  |
| Current liabilities                                | 9                  | 28,852,774                                 | 39,590,215                                 |
| Provisions   |                    | 11,593,938                                 | 12,949,100                                 |
|  |                    | <b>28,852,774</b>                          | <b>52,539,315</b>                          |
| <b>Net Current Assets</b>                          |                    | <b>(7,245,726)</b>                         | <b>7,865,612</b>                           |
|  |                    | <b>151,983,948</b>                         | <b>102,348,216</b>                         |

Significant Accounting Policies & Notes to the Accounts

15

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

As per our report of even date attached,

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

(Vishal Gupta)  
Partner  
Membership No.093908



For and on behalf of the Board  
V. Chandrashekhar  
Director

V. Anu Naidu  
Director

New Delhi  
Date: September 1, 2011



**TARINI INTERNATIONAL LIMITED**  
(Formely known as TARINI INTERNATIONAL PRIVATE LIMITED)  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

|  | Schedule<br>Reference | Year Ended<br>March 31, 2011<br>(Amount in Rs.) | Year Ended<br>March 31, 2010<br>(Amount in Rs.) |
|--|-----------------------|---|---|
| <b>INCOME :</b>                            |                       |   |   |
| Income from professional services          | 10                    | 29,283,651                                      | 29,847,760                                      |
| Other income                               | 14                    | 553,949   | 6,918,709                                       |
| <b>TOTAL</b>                               |                       | <b>29,837,600</b>                               | <b>36,766,469</b>                               |
| <b>EXPENDITURE :</b>                       |                       |   |   |
| Personnel expenses                         | 12                    | 9,784,698                                       | 5,081,625                                       |
| Administration expenses                    | 13                    | 7,010,044                                       | 3,482,860                                       |
| Interest                                   |                       | 7,344,965                                       | 1,922,685                                       |
| Depreciation                               |                       | 516,401   | 511,978   |
| Depreciation written back                  |                       | -   | (699,445)                                       |
| <b>TOTAL</b>                               |                       | <b>24,656,108</b>                               | <b>10,299,703</b>                               |
| <b>PROFIT BEFORE TAX</b>                   |                       | 5,181,492                                       | 26,466,766                                      |
| <b>Provision For Tax</b>                   |                       |   |   |
| Current tax                                |                       | 2,064,800                                       | 9,033,600                                       |
| Income tax for earlier year                |                       | (172,900)                                       | -   |
| Deferred tax charge                        |                       | 381,831   | (132,407)                                       |
| <b>PROFIT AFTER TAX</b>                    |                       | 2,907,761                                       | 17,565,573                                      |
| Balance brought forward from previous year |                       | 32,242,816                                      | 14,677,243                                      |
| Balance carried forward                    |                       | <b>35,150,577</b>                               | <b>32,242,816</b>                               |
| Basic and Diluted Earning per share (EPS)  |                       | 3.49  | 21.09   |

Significant Accounting Policies & Notes 15

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

As per our report of even date annexed

For VCG & Co.  
Chartered Accountants  
Firm Registration No. 021837N

(Vishal Gupta)  
Partner  
Membership No.093908

New Delhi  
Date: September 1, 2011



For and on behalf of the Board

*V. Chandrashekhar*  
V. Chandrashekhar  
Director

*V. Anu Naidu*  
V. Anu Naidu  
Director



**TARINI INTERNATIONAL LIMITED**  
(Formerly known as TARINI INTERNATIONAL PRIVATE LIMITED)  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

| <b>Particulars</b>   | <b>As at<br/>March 31, 2011<br/>(Amount in Rs.)</b> | <b>As at<br/>March 31, 2010<br/>(Amount in Rs.)</b> |
|--|---|---|
| <b>Shareholder's Fund</b>  |   |   |
| <b>SCHEDULE - 1<br/>SHARE CAPITAL</b>  |   |   |
| <b>Authorised :</b>  |   |   |
| 25,00,000 Equity Shares of Rs. 10/- each<br>(Previous year 25,00,000 Equity Shares of Rs. 10/- each)   | <u>2,50,00,000</u>                                  | <u>2,50,00,000</u>                                  |
| <b>Issued, subscribed &amp; paid up Capital:</b>   |   |   |
| 8,32,700 Equity shares of Rs.10 each fully paid up (Previous<br>year 8,32,700 Equity shares of Rs. 10 each)  | <u>8,327,000</u>                                    | <u>8,327,000</u>                                    |
| <b>SCHEDULE - 2<br/>Reserve &amp; Surplus</b>  |   |   |
| <b>Profit and Loss Account</b>   |   |   |
| Brought forward  | 32,242,816  | 14,677,243  |
| Transferred from Profit and loss account   | 2,907,761   | 17,565,573  |
|  | <u>35,150,577</u>                                   | <u>32,242,816</u>                                   |
| <b>SCHEDULE - 3<br/>Secured Loans</b>  |   |   |
| ICICI Bank Limited<br>(Secured by hypothecation over book debts, loans and advances and<br>secured by way of equitable mortgage of immovable property and<br>further, secured by the personal guarantee of directors ) | 19,738,793  | 19,572,336  |
| Religare Finvest Limited<br>(Secured by way of Mortgage of Farm house)   | 19,000,000  | 19,000,000  |
|  | <u>38,738,793</u>                                   | <u>38,572,336</u>                                   |
| <b>SCHEDULE - 4<br/>Unsecured Loans</b>  |   |   |
| Loan from Directors  | 51,571,116  | 19,693,574  |
| Loan from others   | 3,836,137   | 3,512,489   |
|  | <u>55,407,253</u>                                   | <u>23,206,064</u>                                   |



*N. C. G.*

*Am*



TARINI

**TARINI INTERNATIONAL LIMITED**  
(Formerly known as TARINI INTERNATIONAL PRIVATE LIMITED)  
Schedule to the Accounts

Schedule 5 :  
Fixed Assets

Amount in Rs.

|                      | Gross block (at cost) |                  |            |                      | Accumulated Depreciation |                |            | Net block            |                      |            |
|----------------------|-----------------------|------------------|------------|----------------------|--------------------------|----------------|------------|----------------------|----------------------|------------|
|                      | As at April 1, 2010   | Additions        | Deductions | As at March 31, 2011 | As at April 1, 2010      | For the year   | Deductions | As at March 31, 2011 | As at March 31, 2010 |            |
| Land                 | 35,601,779            | -                | -          | 35,601,779           | -                        | -              | -          | -                    | 35,601,779           | 35,601,779 |
| Building             | 4,619,143             | 2,004,403        | -          | 6,623,546            | 288,500                  | 75,312         | -          | 363,812              | 6,259,734            | 4,330,643  |
| Furniture & Fixtures | 60,066                | -                | -          | 60,066               | 21,338                   | 3,803          | -          | 25,141               | 34,925               | 38,728     |
| Plant & machinery    | 218,270               | 169,925          | -          | 388,195              | 51,306                   | 13,482         | -          | 64,788               | 323,407              | 166,964    |
| Office equipment     | 685,077               | -                | -          | 685,077              | 117,986                  | 32,542         | -          | 150,528              | 534,549              | 567,091    |
| Computers            | 807,115               | 32,550           | -          | 839,665              | 438,758                  | 118,209        | -          | 556,967              | 282,698              | 368,357    |
| Vehicles             | 2,564,918             | -                | -          | 2,564,918            | 1,078,208                | 243,668        | -          | 1,321,876            | 1,243,042            | 1,486,710  |
| Intangibles          | 181,281               | -                | -          | 181,281              | 52,356                   | 29,385         | -          | 81,741               | 99,540               | 128,925    |
| <b>Total</b>         | <b>44,737,649</b>     | <b>2,206,878</b> | <b>-</b>   | <b>46,944,527</b>    | <b>2,048,452</b>         | <b>516,401</b> | <b>-</b>   | <b>2,564,853</b>     | <b>44,379,674</b>    |            |
| Previous year        | 9,134,070             | 35,603,579       | -          | 44,737,649           | 2,235,919                | 511,978        | *(699445)  | 2,048,452            |                      | 42,689,197 |

\* Adjustment due to change in depreciation policy in previous year

6



*Handwritten signatures and initials.*



**TARINI**

**TARINI INTERNATIONAL LIMITED**  
(Formerly known as TARINI INTERNATIONAL PRIVATE LIMITED)  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 6 INVESTMENT IN SHARES / DEBENTURES (LONG TERM)**

| Name of the Company                                  | Face Value | As at March 31, 2011      |                    | As at March 31, 2010       |                   |
|--|------------|---------------------------|--------------------|----------------------------|-------------------|
|  |            | No of Shares / debentures | Cost               | No. of shares / debentures | Cost              |
| <b>UNQUOTED EQUITY SHARES<br/>(OTHER THAN TRADE)</b> |            |                           |                    |                            |                   |
| Tarini Infrastructure Ltd.                           | 10         | 8,436,000                 | 84,360,000         | 5,136,000                  | 51,360,000        |
| Tarini Sugar & Distillaries Ltd.                     | 10         | 100                       | 1,000              | 100                        | 1,000             |
| <b>Share application money</b>                       |            |                           |                    |                            |                   |
| Tarini Infrastructure Ltd.                           |            | -                         | 20,539,000         | -                          | -                 |
| B.Soilmec (I) Pvt. Ltd                               |            | -                         | 300,000            | -                          | 300,000           |
| Venture Energy & Technologies Ltd.                   |            | -                         | 9,650,000          | -                          | -                 |
|  |            | <b>8,436,100</b>          | <b>114,850,000</b> | <b>5,136,100</b>           | <b>51,661,000</b> |



*Handwritten signatures and initials.*



**TARINI INTERNATIONAL LIMITED**  
(Formerly known as TARINI INTERNATIONAL PRIVATE LIMITED)  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULES TO FINANCIAL STATEMENTS**

| <b>Particulars</b>                            | <b>As at<br/>March 31, 2011<br/>(Amount in Rs.)</b> | <b>As at<br/>March 31, 2010<br/>(Amount in Rs.)</b> |
|---|---|---|
| <b>SCHEDULE - 7</b>                           |   |   |
| <b>CASH &amp; BANK BALANCES</b>               |   |   |
| Cash in hand (as certified by the management) | 260,372   | 67,566  |
| Balance with Scheduled Bank                   |   |   |
| -In Current Account                           |   |   |
| Bank of India                                 | 14,935  | -   |
| IDBI Bank Ltd                                 | 4,633   | 46,406  |
| ING Vysya Bank                                | 797   | 2,589   |
| Karur Vysya Bank                              | 11,178  | 39,318  |
|   | <b>291,915</b>                                      | <b>155,878</b>                                      |
| <b>SCHEDULE - 8</b>                           |   |   |
| <b>LOANS &amp; ADVANCES</b>                   |   |   |
| Loans (unsecured considered good)             | 12,292,565  | 50,848,761  |
| Advance to staff and others                   | 697,856   | 3,646,721   |
| Advance income                                | 8,147,087   | 5,660,908   |
| Service tax receivable                        | 92,700  | -   |
| Prepaid expenses                              | 67,974  | 75,709  |
| Security deposit                              | 16,950  | 16,950  |
|   | <b>21,315,133</b>                                   | <b>60,249,049</b>                                   |
| <b>SCHEDULE - 9</b>                           |   |   |
| <b>CURRENT LIABILITIES AND PROVISIONS</b>     |   |   |
| Sundry creditors                              | 10,008,158  | 6,161,407   |
| Other liabilities                             | 6,470,257   | 458,361   |
| Advance from customers                        | -   | 30,783,651  |
| Provision for tax                             | 11,593,938  | 12,949,100  |
| Other provision                               | 780,420   | 2,186,796   |
|   | <b>28,852,774</b>                                   | <b>52,539,315</b>                                   |



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**TARINI**

**TARINI INTERNATIONAL LIMITED**  
(Formerly known as TARINI INTERNATIONAL PRIVATE LIMITED)  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

| Particulars                               | Year Ended        | Year Ended        |
|---|-------------------|-------------------|
|   | March 31, 2011    | March 31, 2010    |
|   | (Amount in Rs.)   | (Amount in Rs.)   |
| <b>SCHEDULE - 10</b>                      |                   |                   |
| <b>INCOME</b>                             |                   |                   |
| Income from consultancy                   | 5,000,000         | 8,000,000         |
| Income from maintenance contract          | 24,283,651        | 21,847,760        |
|   | <u>29,283,651</u> | <u>29,847,760</u> |
| <b>SCHEDULE - 11</b>                      |                   |                   |
| <b>OTHER INCOME</b>                       |                   |                   |
| Interest income                           | -                 | 5,013,554         |
| Interest on Income tax refund             | 3,949             | -                 |
| Foreign currency fluctuation              | -                 | 1,905,155         |
| Agricultural income                       | 550,000           | -                 |
|   | <u>553,949</u>    | <u>6,918,709</u>  |
| <b>SCHEDULE - 12</b>                      |                   |                   |
| <b>PERSONNEL EXPENSES</b>                 |                   |                   |
| Salaries wages & bonus                    | 1,708,770         | 1,384,798         |
| Staff Welfare & other benefits            | 875,928           | 96,827            |
| Director's remuneration                   | 7,200,000         | 3,600,000         |
|   | <u>9,784,698</u>  | <u>5,081,625</u>  |
| <b>SCHEDULE - 13</b>                      |                   |                   |
| <b>ADMINISTRATION EXPENSES AND OTHERS</b> |                   |                   |
| Consultancy charges                       | 1,408,200         | 713,200           |
| Repair & maintenance expenses             | 1,113,477         | 50,696            |
| Telephone , internet & courier expenses   | 153,120           | 125,306           |
| Legal & professional charges              | 132,751           | 193,683           |
| Electricity & water charges               | 211,762           | 95,238            |
| Insurance charges                         | 52,261            | 68,989            |
| Contract expenses                         | -                 | 735,000           |
| <b>Auditor's fee</b>                      |                   |                   |
| Statutory audit fee                       | 226,115           | 126,845           |
| Tax audit fee                             | 38,605            | -                 |
| Vehicles running & maintenance            | 155,388           | 270,338           |
| Travelling & conveyance expenses          | 59,327            | 220,472           |
| Printing & stationery                     | 52,814            | 71,154            |
| Bank charges                              | 240,611           | 64,939            |
| Interest on service tax                   | 44,918            | 8,927             |
| Interest on income tax                    | 1,320,263         | -                 |
| Taxes and fee                             | 19,764            | -                 |
| Miscellaneous expenses                    | 283,323           | 646,979           |
| Preliminary expenses written off          | -                 | 2,694             |
| Deffered revenue expenditure written off  | -                 | 88,400            |
| Foreign exchange rate                     | 858,880           | -                 |
| Agricultural expenses                     | 638,465           | -                 |
|   | <u>7,010,044</u>  | <u>3,482,860</u>  |



*V. e. S.*      *Am*





TARINI

**Tarini International Private Limited**

Schedule -14: Notes to Accounts

**1 Nature of Operations**

Tarini International Private Ltd hereinafter referred to as ("the Company") is engaged in the buissness of Project consultants and electrical contractor.

**2 Statement of Significant Accounting Policies**

**a. Basis of preparation**

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

**b. Use of estimates**

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

**c. Fixed assets**

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

**d. Revenue recognition**

Revnuce has been recognized in accordance with to AS-9 issued by the Institute of Chartered Accountants of India.

**e. Investments**

The Long-term investments are shown at Book Value 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.Dividend is accounted for as and when secured.

**g. 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



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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.

**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.

**h. Retirement and other employee benefits**

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

**i. 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.

**j. 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.

**k. Deferred tax Asset/ Liability.**

As per Accounting Standard 22 issued by Institute of chartered accountant of India, deferred tax liability/ assets is recognized subject to prudence, on timing differences, being reversal in one or more subsequent periods.

Deferred tax asset are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward of losses, deferred tax assets are recognized only is a virtual certainty of realization of such asset.

3. There is no separate reportable segment in accordance with the requirements of Accounting Standard 17 'Segment Reporting' issued by the Companies (Accounting Standard) Rules, 2006 in view of company's activities during the year are project consultancy hence, there are no additional disclosures to be provided other than those already provided in the financial statements.
4. In the opinion of the Board of Directors the current assets, loans and advances have a value on realisation in the ordinary courses of business, at least equal to the amount at which they are stated in the balance Sheet.
5. The company has not received any information from suppliers regarding their status under Micro, Small & Medium Enterprises development Act, 2006.

The company has provided its immovable property as equitable mortgage towards the



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6. term loan taken by the other company in which the company is holding shares more than 10% and the personel loan taken by its director. The terms and condition.of said term/personel loan taken by the other company/founder directors, in view of the management, are not prejudicial to the interest of the company.
7. Advance received amounting to US\$ 1,210,000 against maintenance from a customer / client has been accounted for evenly over the period of contract spanning 30 months commencing from October 2008. Accordingly the income amounting to Rs.24,283,651 (Previous year Rs. 23,752,915) has been accounted for as the income for the current financial year 2010-11.
8. During the year the company has acquired 33,00,000 equity shares of Tarini Infrastrucure Limited @ Rs. 10/- each
9. **Related Party Disclosures:**
- (a) Key Management Personnel –  
V. Chandrashekhar Naidu.- Director,  
V.Anu Naidu.- Director.
- (b) Enterprises over which person exercise control-
- Traini Infrastructre Ltd.
  - Venture infrastructre Ltd.
  - Venture Energy & Technology Ltd.
  - B.Soilmec India Private Ltd.
  - Tarini Overseas Mining and Operation Ltd.
  - Tarini Humanitarian Demining and Rehabilitation works
  - Tarini Sugar & Distillaries Ltd.

|  | Mar-11      | Mar-10      | Mar-11     | Mar-10      |
|--|-------------|-------------|------------|-------------|
| <b>Remuneration Paid</b>                               |             |             |            |             |
| a) Mr.Vakamulla Chandrashekhar                         | 48,00,000   | 24,00,000   |            |             |
| b) Mrs.Vakamulla Anu Naidu                             | 24,000,00   | 12,00,000   |            |             |
| <b>Closing Balance at the year end.</b>                |             |             |            |             |
| a) Mr.Vakamulla Chandrashekhar                         | 33,524,725  | 1,91,15,292 |            |             |
| b) Mrs.Vakamulla Anu Naidu                             | 2,02,01,098 | 5,78,282    |            |             |
| Tarini Infrastructre Limited                           |             |             | 11,760,730 | 32,871,704  |
| Venture Infrastructure Limited                         |             |             | 54,61,454  | (-)1,33,000 |
| B.Soilmec India Private Limited                        |             |             | 10,48,430  | 17,91,914   |
| Venture Energy & Technologies Limited                  |             |             | 31,835     | 1,02,65,835 |
| Tarini Overseas Mining and Operations Ltd.             |             |             | Nil        | (-)50,113   |
| Tarini Humanitarian Demining And Rehabilitation works. |             |             | Nil        | (-)4,07,739 |
| Tarini Sugar & Distillaries ltd                        |             |             | Nil        | 13,57,782   |



*V. Chandrashekhar Naidu*



TARINI

10. **Deferred tax calculation**

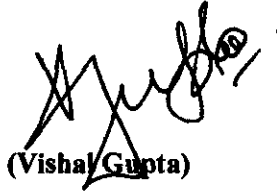
|  | <b>Financial year<br/>2010-11<br/>(Amount Rs.)</b> | <b>Financial year<br/>2009-10<br/>(Amount Rs.)</b> |
|--|--|--|
| <b>Deferred tax liability</b>  |  |  |
| Difference in depreciation in block of assets as per financial books and tax books   | 433,807  | 207,179  |
| <b>Deferred tax assets</b>   |  |  |
| Effect of expenditure debited to Profit and loss account in the current year but allowable for tax purposes in following years | 184,381  | 74,773   |
| <b>Net Deferred tax Liability / (Assets)</b>   | 249,425  | 132,407  |

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

**For V C G & Co.**

Chartered Accountants

Firm Registration No. 021837N



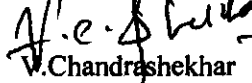
(Vishal Gupta)

Partner

Membership No.093908



Director



V. Chandrashekhar

Director



V. Anu Naidu

New Delhi

September 1, 2011