

BEFORE THE HON'BLE HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION, SHIMLA

PETITION NO. OF 20

IN THE MATTER OF:-

M/S. DSL Hydrowatt Limited having its Corporate Office at Empire House, 214, Dr.D.N. Road, Fort, Mumbai-400001, and Registered Office at Sarbari Small Hydro Project, Village Nagujhore, PO. Dogri, Tehsil & Dist. Kullu, Himachal Pradesh- 175 102), through

..... Petitioner

VERSUS

Himachal Pradesh State Electricity Board

Through its Secretary, Kumar House, Shimla

..... Respondent

Petition u/s 62,94 of the Indian Electricity Act, 2003 read with Regulation 6 of Himachal Pradesh Electricity Regulatory Commission (Power Procurement from renewal Sources and Co-generation by Distribution licensee) Regulation, 2007.

With a prayer to allow this petition and consequently determining the tariff.

Respectfully Sheweth,

We are submitting herewith the following details ,

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Petitioner

For DSL Hydrowatt Ltd.

Sd/-

Deepak Bhandari

Authorised Signatory



HYDROWATT LIMITED

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Annexure A

To,
Himachal Pradesh Electricity Regulatory Commission,
Keonthal Commercial Complex, Khalini, Shimla-171002

Dear Sir,

Ref: Your letter ,dated 20th May 2013 regarding Petition No 29/2010
Sub: Petition for determination of tariff in respect of Sarbari II HEP (5.4 MW) of DSL
Hydrowatt Limited

The Himachal Pradesh Electricity Regulatory Commission(HPERC) had passed an interim order dt 07th July 2010 in Petition No 29/2010 ,stating that pending determination of per unit rate in relation to Sarbari II HEP ,the payment shall be made on provisional basis @ Rs 2.95/kwh ,which tariff is applicable for generating stations below & of 5 MW .The adjustment shall be done within a period of 6 months after the final determination of the tariff .

The company is filing a petition u/s 62,94 of the Electricity Act 2003 ,read with regulation 6 of HPERC (Power Procurement from Renewable Sources and Co-generation by Distribution Licensee) Regulations, 2007 with a prayer to allow the petition & consequently determine the tariff .

In pursuance to HP Electricity Regulatory Commission (Power Procurement from Renewable Resources and Cogeneration by Distribution Licensee) Regulations, 2007 HPERC may determine tariff by a general order, for small hydro projects not exceeding 5 MW capacity and by a special order, for small hydro projects of more than 5 MW and not exceeding 25 MW capacity, on individual project basis.

Keeping in view the above, the HPERC had therefore come up with the general order , i.e Commission's Order On Small Hydro Power Projects Tariff And Other Issues dt December 18, 2007, for determining tariff for purchase of energy from SHPs up to 5 MW .

HPERC (Power Procurement from Renewable Sources and Co-generation by Distribution Licensee) Regulations, 2007 states that , While deciding the terms and conditions of tariff for energy from renewable sources and co-generation, the HPERC shall, as far as possible, be guided by the principles and methodologies specified by the Central Commission, the National Electricity Policy, the Tariff Policy and the tariff regulations notified by the Central Commission. Provided that the Commission, may for sufficient reasons and after exercising due diligence and applying prudence check, deviate from the terms and conditions of the generation tariff notified by the Central Commission.

The(CERC)Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009, provide for terms and conditions and the procedure for determination of tariff of Small Hydro Projects between 5 MW and 25 MW in Himachal Pradesh. The Regulations enjoins upon the Commission to determine the generic tariff on the basis of the suo motu petition, for the RE technologies for which norms have been provided in the regulations.Clause (1) of Regulation 8 of the RE Regulations provides that "the



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: 2 :

Commission shall determine the generic tariff on suo motu basis at least six months in advance at the beginning of each year of the Control period for renewable energy technologies for which norms have been specified under the Regulations.

For projects commissioned during FY 2010-11, The CERC had suo motu issued the generic tariff order i.e CERC tariff order dt 26.4.2010, which states the principles and methodologies for Small Hydro Power Projects between 5 MW and 25 MW in Himachal Pradesh.

Considering the commissioning of Sarbari II in 25th Aug 2010, HPERC Order On Small Hydro Power Projects Tariff And Other Issues dt December 18, 2007 for determining tariff for purchase of energy from SHPs up to 5 MW, & HPERC (Power Procurement from Renewable Sources and Co-generation by Distribution Licensee) Regulations, 2007 stating that the HPERC shall, as far as possible, be guided by the principles and methodologies specified by the Central Commission,

CERC tariff order dt 26.4.2010, is the more relevant tariff order as it is specific for projects commissioned during FY 2010-11 & also applies to Projects between 5 MW and 25 MW.

Hence for the purpose of tariff determination principles and methodologies as stated in CERC tariff order dt 26.4.2010 is taken into consideration. The parameters on which we have varied (along with reasons thereof), from the norms specified in CERC tariff order dt 26.4.2010 is stated in the Parameters details for Tariff calculation. (Annexure B)

The tariff working with the details of Parameters, & required details as per formats, are enclosed.

We request your goodself to determine the final tariff for Sarbari II HEP accordingly.

Thanking You.
Yours faithfully,

For DSL Hydrowatt Limited,

Sd/-

M N Ramachandra
Managing Director

Encl : As Above

Annexure B-Parameters details for Tariff calculation

Parameter	Sub-Head	Sub-Head (2)	Unit		Basis	Remarks
Power Generation	Capacity	Installed Power Generation Capacity	MW	5.4	DPR	Actual is same as DPR
		Capacity Utilization Factor	%	61%	DPR (Note 1)	Norm as per CERC order dt 26.4.2010. Is 45% ,higher CUF is considered as per DPR
		Useful Life	Years	40	DPR	Norm as per CERC order dt 26.4.2010. is 35 years
Auxiliary Consumption, Transformation Losses %				1.00%	Norm as per CERC order dt 26.4.2010.	Norm is similar to DPR & actuals
Transmission loss %				1.04%	ACTUALS (Note 2)	Transmission loss is 2% as per DPR .Actual loss is considered which is less
Royalty				12% -12 Y ,18% -18 Y ,30%-10Y	DPR	Royalty as per DPR is same as actuals
Project Cost	Capital Cost	Power Plant Cost	Rs	47,13,99,425	ACTUALS	
Financial Assumptions 1	Debt: Equity	Debt	%	64.70%	ACTUALS	As Project Cost is taken at actuals ,the debt ,equity proportion is also taken at actuals.Norm as per CERC order dt 26.4.2010. is 70:30
		Equity	%	35.30%	ACTUALS	
		Debt	Rs	30,50,00,000	ACTUALS	
		Equity	Rs	16,63,99,425	ACTUALS	
	Debt Component	Loan Amount	Rs	30,50,00,000		
		Repayment Period(Inclld Moratorium)	Years	10	Norm as per CERC order dt 26.4.2010.	CERC order dt 26.4.2010., states that ,Notwithstanding any moratorium period availed by the generating company, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed."
		Interest Rate	% p.a	13.50%	ACTUAL	Present interest rate (as on June 13)is considered.Norm as per CERC order dt 26.4.2010 is 13.39%
	Equity Component	Equity amount	Rs	16,63,99,425		
		Return on Equity for first 10 years	% p.a	19%	Norm as per CERC order dt 26.4.2010	

		Return on Equity 11th year onwards	% p.a	24%	Norm as per CERC order dt 26.4.2010	
		Weighted average of ROE	% p.a	22.75%	Norm as per CERC order dt 26.4.2010,except as stated .(Note 4)	NORM IS 22.57% (WHEN Useful Life IS 35 YEARS) ,22.75% IS CALCULATED CONSIDERING Useful Life OF 40 YEARS
		Discount Rate	% p.a	16.77%	Norm as per CERC order dt 26.4.2010,except as stated .(Note 4)	Discount Rate (equiv. to WACC) calculated considering actual Interest Rate, debt equity ratio & Weighted average of ROE
Financial Assumptions 2	Depreciation					
		Depreciation Rate for first 10 years	% p.a	7.00%	Norm as per CERC order dt 26.4.2010,except as stated(Note 3)	Depreciation Rate for first 10 years is 7 % p.a as per the norm, remaining depreciation is spread over the remaining useful life of the project i.e 30 years ,as against the norm of remaining useful life of the project of 25 years,as useful life is taken as 40 years as against the norm of 35 years
		Depreciation Rate 11th year onwards	% p.a	0.67%		32,99,79,598 42,42,59,483
		Recovery of Depreciation - depreciation shall be allowed up to maximum of		90%		
Working Capital	For Fixed Charges					
		O&M Charges	Months	1		
		Maintenance Spare	% of O&M expenses	15%		
		Receivables for Debtors (actual Fixed cost)	Months	2	Norm as per CERC order dt 26.4.2010.,except as stated	In tariff calculations , Power Generation data is based on Capacity Utilization Factor as per DPR ,therefore receivables taken at those arrived for in respective years in tariff calculations & not on receivables calculated on normative CUF as stated in CERC order dt 26.4.2010
	For Variable Charges					
		Interest On Working Capital	% p.a	13.50%	ACTUAL	Present interest rate (as on June 13) is considered.norm as per CERC order dt 26.4.2010 is 12.89%
Operation & Maintenance						

	O & M Expenses	Rs Pa	88,13,000	ACTUALS (Note 5)	Norm as per CERC order dt 26.4.2010. Is Rs 85,64,400 (15,86,000 /mw x 5.4 mw). Actuals is considered
	Total O & M Expenses Escalation	% p.a	5.72%	Norm as per CERC order dt 26.4.2010	

Miscellaneous Notes

Excise Duty on capital cost (Refund not received), actually increased the project cost by 73,81,037, in books of accounts it was added in project cost in fy 2011-12.

A For tariff calculations ,Part of the year proportionate calculations are not done i.e from commercial operation date 25.08.2010 to 31.03.2011, to avoid complications.Instead full yearwise calculations are done for 40 years of useful life of project

B Accelerated depreciation benefit not availed under the Income Tax Act

C (CDM credits) not factored into tariff determination given the uncertainty involved in their award.

D As per HPERC Order On Small Hydro Power Projects Tariff And Other Issues dt December 18, 2007, HPERC has decided that the entire benefit of subsidy be given to developer as incentive for the purpose of promotion of small hydro power in the state.such subsidy / incentive shall not be adjusted against the capital cost of the project for the purpose of tariff determination.subsidy should not be accounted for within any tariff formulation but should be left as an incentive for the promoters, in line with the views enshrined in the National Tariff Policy. Hence subsidy is not factored in tariff calculations

Note 1

Capacity Utilization Factor

Gross No of units.from generations as per DPR (kwh)	3,03,76,000
Outage @ 5% as per DPR	15,18,800
After Outage Gross Units (kwh)	2,88,57,200
Theoretical maximum generation (kwh)	4,73,04,000
Capacity Utilization Factor	61%

Note 2

Transmission Losses

	12-13	12-13%	11-12	11-12%	AVERAGE %
Actual Transmission loss (kwh)	3,99,408	1%	3,40,593	1%	1.04%

Note 3

Depreciation

	(Rs)
Project Cost	47,13,99,425
Depreciation p.a for first 10 years@7% p.a	3,29,97,960
Total Depreciation for first 10 years	32,99,79,598
The Salvage value of the asset considered as 10%	4,71,39,943
Balance to be depreciated over remaining period of 30 years	9,42,79,885
Depreciation 11th year onwards	31,42,663

Note 4

Discount Rate

Weighted average of ROE

	Return on Equity	Years	Weights	Weighted return
Return on Equity for first 10 ye	19%	10	0.25	4.75%
Return on Equity 11th year on	24%	30	0.75	18.00%
		40		22.75%
Weighted average of ROE	22.75%			

Discount Rate

	%	return	Weighted return
Debt	64.70%	13.50%	8.73%
Equity	35.30%	22.75%	8.03%
Discount Rate			16.77%

Note 5

Operation & Maintenance

O&M Charges have been taken as average of actuals of fy 2011-12 & 2012-13

	(Rs)
	2011-12. 2012-13
Actual O&M Charges	83,60,164 92,66,196
Average O&M Charges	88,13,000

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000
1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800	1518800
2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200
288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572	288572
2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628
2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114
2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514
50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	50,88,873	84,81,454	84,81,454
2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	2,31,82,642	1,97,90,060	1,97,90,060

6,54,90,797	6,67,16,061	6,80,11,409	6,93,80,852	7,08,28,627	7,23,59,215	7,39,77,352	7,56,88,047	7,74,96,593	7,94,08,588	8,14,29,950	8,35,66,933	8,58,26,152	8,82,14,598	9,07,39,663	9,34,09,162	9,62,31,356	9,92,14,980
2,02,99,301	2,14,60,421	2,26,87,957	2,39,85,708	2,53,57,691	2,68,08,151	2,83,41,577	2,99,62,715	3,16,76,583	3,34,88,483	3,54,04,024	3,74,29,135	3,95,70,081	4,18,33,490	4,42,26,365	4,67,56,113	4,94,30,563	5,22,57,991
31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663
21,12,971	21,77,115	22,44,927	23,16,619	23,92,411	24,72,539	25,57,250	26,46,807	27,41,486	28,41,580	29,47,401	30,59,274	31,77,546	33,02,583	34,34,773	35,74,524	37,22,268	38,78,464
3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862

2.82	2.88	2.93	2.99	3.06	3.12	3.19	3.26	3.34	3.43	3.51	3.60	3.70	3.81	3.91	4.02	4.14	4.27
0.88	0.93	0.98	1.03	1.09	1.16	1.22	1.29	1.37	1.44	1.53	1.61	1.71	1.80	1.91	2.02	2.14	2.27
0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0.09	0.09	0.10	0.10	0.10	0.11	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.14	0.15	0.16	0.17	0.18
1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72

0.10	0.08	0.07	0.06	0.05	0.05	0.04	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01
0.28	0.24	0.21	0.18	0.16	0.14	0.12	0.11	0.09	0.08	0.07	0.06	0.06	0.05	0.04	0.03	0.02	0.01

16,91,608	17,88,368	18,90,663	19,98,809	21,13,141	22,34,013	23,61,798	24,96,893	26,39,715	27,90,707	29,50,335	31,19,095	32,97,507	34,86,124	36,85,530	38,96,343	41,19,214	43,54,833
30,44,895	32,19,063	34,03,194	35,97,856	38,03,654	40,21,223	42,51,237	44,94,407	47,51,487	50,23,272	53,10,604	56,14,370	59,35,512	62,75,023	66,33,955	70,13,417	74,14,584	78,38,699
1,09,15,133	1,11,19,343	1,13,35,235	1,15,63,475	1,18,04,771	1,20,59,869	1,23,29,559	1,26,14,674	1,29,16,099	1,32,34,765	1,35,71,658	1,39,27,822	1,43,04,359	1,47,02,433	1,51,23,277	1,55,68,194	1,60,38,559	1,65,35,830
1,56,51,636	1,61,26,775	1,66,29,092	1,71,60,141	1,77,21,566	1,83,15,104	1,89,42,593	1,96,05,975	2,03,07,301	2,10,48,744	2,18,32,597	2,26,61,287	2,35,37,378	2,44,63,581	2,54,42,762	2,64,77,953	2,75,72,357	2,87,29,361
21,12,971	21,77,115	22,44,927	23,16,619	23,92,411	24,72,539	25,57,250	26,46,807	27,41,486	28,41,580	29,47,401	30,59,274	31,77,546	33,02,583	34,34,773	35,74,524	37,22,268	38,78,464

34	35	36	37	38	39	40
3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000	3,03,76,000
1518800	1518800	1518800	1518800	1518800	1518800	1518800
2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200	2,88,57,200
288572	288572	288572	288572	288572	288572	288572
2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628	2,85,68,628
2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114	2,97,114
2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514	2,82,71,514
84,81,454	84,81,454	84,81,454	84,81,454	84,81,454	84,81,454	84,81,454
1,97,90,060	1,97,90,060	1,97,90,060	1,97,90,060	1,97,90,060	1,97,90,060	1,97,90,060

10,23,69,267	10,57,03,979	10,92,29,437	11,29,56,551	11,68,96,856	12,10,62,546	12,54,66,514
5,52,47,148	5,84,07,285	6,17,48,182	6,52,80,178	6,90,14,204	7,29,61,817	7,71,35,233
31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663	31,42,663
40,43,594	42,18,169	44,02,730	45,97,848	48,04,127	50,22,205	52,52,756
3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862	3,99,35,862

5.17	5.34	5.52	5.71	5.91	6.12	6.34
2.79	2.95	3.12	3.30	3.49	3.69	3.90
0.16	0.16	0.16	0.16	0.16	0.16	0.16
-	-	-	-	-	-	-
0.20	0.21	0.22	0.23	0.24	0.25	0.27
2.02	2.02	2.02	2.02	2.02	2.02	2.02

0.01	0.01	0.00	0.00	0.00	0.00	0.00
0.03	0.03	0.02	0.02	0.02	0.02	0.02

46,03,929	48,67,274	51,45,682	54,40,015	57,51,184	60,80,151	64,27,936
82,87,072	87,61,093	92,62,227	97,92,027	1,03,52,131	1,09,44,273	1,15,70,285
1,70,61,544	1,76,17,330	1,82,04,906	1,88,26,092	1,94,82,809	2,01,77,091	2,09,11,086
2,99,52,546	3,12,45,696	3,26,32,815	3,40,58,133	3,55,86,124	3,72,01,515	3,89,09,307
40,43,594	42,18,169	44,02,730	45,97,848	48,04,127	50,22,205	52,52,756

DSL HYDROWATT LTD. SARBARI - II 5.4 MW PROJECT

Break up of Capital cost for Hydro Power Generation Station

Name of the Company : DSL Hydrowatt Ltd

Name of the Power Station : Sarbari II

(Rs. in crore)

S. No.	Head of works	Original cost as approved (TEC)	Cost on COD ¹	Variation	Reasons for variation ²
1.0	Infrastructure Works				
1.1	Preliminary including Development,	0.47	0.16	0.31	
1.2	Land	0.36	0.70	(0.33)	
1.3	Building, Roads	1.22	1.44	(0.22)	
1.4	Township	0.68	0.68	0.00	
1.5	Maintenance	0.37		0.37	
1.6	Tools & Plants	0.58		0.58	
1.7	Communication	-		-	
1.8	Environment & Ecology	-		-	
1.9	Losses on stock	0.15		0.15	
1.1	Receipt & Recoveries	(0.07)		(0.07)	
1.11	Total (Infrastructure Works)	3.77	2.98	0.80	
2.0	Major Civil Works				
2.1	Dam, Intake & Desilting Chambers	-		-	
2.2	HRT, TRT, Surge Shaft & Pressure shafts	14.24	9.31	4.93	
2.3	Power Plant civil works(sub station & Transmission Line)	3.46	2.88	0.58	
2.4	Other Civil Works (Pen Stock+ Misc Civil works)	8.89	10.95	(2.05)	
2.5	Total (Major Civil Works)	26.59	23.14	3.46	19.38022
3.0	Hydro Mechanical equipments				
4.0	Plant & Equipment	9.31	15.94	(6.62)	20.29
4.1	Initial spares of Plant & Equipment	-		-	
4.2	Total (Plant & Equipment)	9.31	15.94	(6.62)	
5.0	Taxes and Duties				
5.1	Custom Duty	-		-	
5.2	Other taxes & Duties	-		-	
5.3	Total Taxes & Duties	-	-	-	
6.0	Construction & Pre-commissioning expenses				
6.1	Erection, testing & commissioning	-		-	
6.2	Construction Insurance	-		-	
6.3	Site supervision	-		-	
6.4	Total (Const. & Pre-commissioning)	-	-	-	
7.0	Overheads				
7.1	Establishment	2.89	2.58	0.31	2.68
7.2	Design & Engineering	-		-	
7.3	Audit & Accounts	-		-	
7.4	Contingency	-		-	
7.5	Rehabilitation & Resettlement	-		-	
7.6	Total (Overheads)	2.89	2.58	0.31	
8	Capital Cost without IDC & FC	42.57	44.63	(2.05)	
9.0	Financing charges (FC)	0.23	0.11	-	
10.0	Interest during construction (IDC)	3.19	2.40	-	
11.0	IDC & FC	3.42	2.51	0.91	
	Total	45.99	47.14	(1.15)	

Notes:

1 Total project cost as on 31/03/2011 is shown under Cost on COD & not actual cost booked upto COD, as some bills were not booked as on date of COD i.e 25/08/2010, but were booked during 26/08/210 & 31/03/2011 as stated below

Project cost as on COD 25/08/2010	41.62
Excise Duty not refundable	0.74
Total Project cost as on COD 25/08/20	42.36

Booking after COD FROM 26/8/10 TO 31/03/2011

Land	0.26	LADA of 0.26 crore was not booked as on date of COD i.e 25/08/2010, but its booking & payment was done after COD i.e between 26/08/210 & 31/03/2011, as Bills were received after completing
Civil Works	2.43	
E& M	2.09	
Total Project cost	47.14	

2 Amounts are grouped /regrouped in the Capital cost Break up. Individual headwise difference between Cost as approved by TEC & Cost as on COD is on account of difference in groupings.

The total project cost incurred were Rs. 47.14 Crores as against the original cost of Rs.45.99 Crores approved by TEC.

The reasons for variation in Capital Cost without IDC & FC, of Rs.2.05 Crores is on account of the following additional incurred by the Company.

	Rs. In Crores
Increase in Entry Tax	0.27
Excise Duty not refundable	0.74
Increase in Construction Cess	0.12
Spares	0.83
Miscellaneous	0.07
	2.05

Break up of Capital Cost for Plant & Equipment

Form No: F1C

Name of the Company : Dsl Hydrowatt Ltd.
Name of the Power Station : Sarbari II

S. No.	Head of works	(Rs. in crore)		Variation	Reasons for variation 2
		Original cost as app	Cost on COD 1		
1	Generator, turbine & Accessories				
1.1	Generator package				
1.2	Turbine package				
1.3	Unit control Board				
1.4	C&I package				
1.5	Bus Duct of GT connection				
1.6	Total (Generator, turbine & Accessories)				
2	Auxiliary Electrical Equipment				
2.1	Setup up transformer				
2.2	Unit Auxiliary Transformer				
2.3	Local supply transformer				
2.4	Station transformer				
2.5	SCADA				
2.6	Switchgear, Batteries, DC dist. Board				
2.7	Telecommunication equipment				
2.8	Illumination of Dam, PH and Switchyard				
2.9	Cables & Cable facilities, grounding	9.31	15.94		
2.11	Total (Auxiliary Elect. Equipment)				
3	Auxiliary equipment & services for power station				
3.1	EOT crane				
3.2	Other crane				
3.3	Electric lifts & elevators				
3.4	Cooling water system				
3.5	Drainage & dewatering system				
3.6	Fire fighting equipment				
3.7	Air conditioning, ventilation and heating				
3.8	Water supply system				
3.9	Oil handling equipment				
3.11	Total (Auxiliary equipt. & services for PS)				
4	Switchyard package				
5	Initial spares for all above equipments				
6	Total (Plant & Equipment)	9.31	15.94	-6.62116	

1 Please refer Note no 1 of Form No: F1B

2 Please refer Note no 2 of Form No: F1B

Financial Package upto COD		Form No: F1D	
Financial Package upto COD		(Rs. in crore)	
Name of the Company :- DSL HYDROWATT LTD.			
Name of the Power Station - Sarbari II			
Project Cost as on COD** ----		47.1399425	
Date of Commercial Operation of the Unit/Station1 - 25/08/2010			
	Financial Package as Approved by the	Financial Package as on COD	
	lending authority		
	Currency	Amount	Currency
Debt			Amount
Loan-I	INR	25.00	INR
Loan-II	INR	5.50	INR
Loan-III			
Total Debt		30.50	30.50
Equity-			
Foreign			
Domestic	INR	16.64	INR
Total Equity		16.64	16.64
Debt: Equity Ratio		1.83	1.83
1 Date of Commercial Operation means the date on which the unit(s) or the project achieves the commercial operation			
** Please refer Note no 1 of Form No: F1B			

Calculations of O & M Expenses	Form 2A		
	(Rs Cr)		
Particulars	COD YR		
	FY (n)	FY (n+1)	FY (n+2)
	10-11	11-12	12-13
O & M on the basis of actual data.	0.98	0.83	0.92
O & M (actual) as the percentage of the Capital cost.	2.07	1.75	1.95
Percentage Escalation (actual)	-	(15.59)	11.27

Details of Operation and Maintenance expenses		Form No: F2B		
(Rs. In Cr)				
ITEMS		COD YR		
Breakup of O & M Expenses		FY (n)	FY (n+1)	FY (n+2)
		10-11	11-12	12-13
1	Consumption of Stores and Spares	-	0.00	0.00
2	Repair and Maintenance	0.00	0.02	0.01
3	Insurance	0.05	0.02	0.06
4	Security	0.02	0.03	0.03
5	Administrative Expenses			
	Electricity Charges	-	-	-
	Travelling & Conveyance	0.06	0.01	0.01
	Telephone Expenses	0.01	0.01	0.01
	Advertisement	-	-	-
	Vehicle Expenses	0.05	0.05	0.04
	Rates & Taxes	0.18	0.01	0.01
	Legal & Professional Fees	0.02	0.06	0.11
	Lodging & Boarding	0.04	0.01	0.02
	Entertainment Expenses	-	-	-
	Other Expenses	0.11	0.05	0.03
	Sub-Total (Administrative Expenses)	0.47	0.20	0.23
6	Employee Cost			
	a) Salaries, wages and allowances	0.43	0.54	0.59
	b) Staff welfare expenses	0.01	0.01	-
	c) Productivity linked incentive			
		0.44	0.55	0.59
7	Total (1 to 6)	0.98	0.83	0.92
8	Details of number of Employees			
	i) Executives	7	6	6
	ii) Non-Executives	3	2	2
	iii) Skilled	7	7	7
	iv) Non-Skilled	1	1	1
	Total	18	16	16

Form No: F3				
Details of Depreciation*				
(Rs. Crores)				
S. No.	Years		Depreciation	Advance against depreciation
1	FY	1	3.30	-
2	FY	2	3.30	-
3	FY	3	3.30	-
4	FY	4	3.30	-
5	FY	5	3.30	-
6	FY	6	3.30	-
7	FY	7	3.30	-
8	FY	8	3.30	-
9	FY	9	3.30	-
10	FY	10	3.30	-
11	FY	11	0.31	-
12	FY	12	0.31	-
13	FY	13	0.31	-
14	FY	14	0.31	-
15	FY	15	0.31	-
16	FY	16	0.31	-
17	FY	17	0.31	-
18	FY	18	0.31	-
19	FY	19	0.31	-
20	FY	20	0.31	-
21	FY	21	0.31	-
22	FY	22	0.31	-
23	FY	23	0.31	-
24	FY	24	0.31	-
25	FY	25	0.31	-
26	FY	26	0.31	-
27	FY	27	0.31	-
28	FY	28	0.31	-
29	FY	29	0.31	-
30	FY	30	0.31	-
31	FY	31	0.31	-
32	FY	32	0.31	-
33	FY	33	0.31	-
34	FY	34	0.31	-
35	FY	35	0.31	-
36	FY	36	0.31	-
37	FY	37	0.31	-
38	FY	38	0.31	-
39	FY	39	0.31	-
40	FY	40	0.31	-

* Depreciation is calculated @ 7 % p.a on actual project cost for the first 10 years till repayment of loan , depreciation from the 11th

the year		Amount	Principal repayment		Interest			Closing Blance
Interest	Total	received	Due	Paid/to be p	Due	Paid/to be p	%	
overdue		during the year						
-	16.25	8.74	-	-	1.80	1.80	12.75	25.00
-	25.00	-	1.00	6.25	2.81	2.81	13.75	18.75
-	18.75	-	7.30	2.39	2.33	2.33	14.00	16.36
-	16.36	-	3.25	3.25	1.99	1.99	13.50	13.11
-	13.11		3.25	3.25	1.55	1.55	13.50	9.86
-	9.86		3.25	3.25	1.11	1.11	13.50	6.61
-	6.61		3.25	3.25	0.67	0.67	13.50	3.36
-	3.36		3.70	3.36	0.23	0.23	13.50	-
-	-	5.50	-	-	0.34	0.34	12.75	5.50
-	5.50	-	0.50	0.50	0.70	0.70	13.75	5.00
-	5.00	-	0.50	0.50	0.63	0.63	14.00	4.50
-	4.50	-	0.90	0.90	0.55	0.55	13.50	3.60
-	3.60	-	0.90	0.90	0.43	0.43	13.50	2.70
-	2.70		0.90	0.90	0.30	0.30	13.50	1.80
-	1.80		0.90	0.90	0.18	0.18	13.50	0.90
-	0.90		0.90	0.90	0.06	0.06	13.50	-
-			30.50	30.50	15.68	15.68		
					0.11	0.11		
					0.11	0.11		
-		-	30.50	30.50	15.80	15.80	-	-

Details of Project Specific Loans		Form No: F6A				
Name of the Company :- DSL HYDROWATT LTD.						
Name of the Power Station :- SARBARI II						
(Amount in Crores)						
Particulars	Package1	Package2	Package3	Package4	Package5	Package6
Source of Loan ¹	Bank of Maharashtra, P	Bank of Maharashtra, Pune Br.				
Currency ²	Rs.	Rs.				
Amount of Loan sanctioned	25.00	5.50				
Amount of Gross Loan drawn upto C	16.25	-				
Interest Type ⁶	Floating	Floating				
Fixed Interest Rate, if applicable						
Base Rate, if Floating Interest ⁷	@BPLR - 1%	@BPLR - 1%				
Margin, if Floating Interest ⁸	-	-				
Are there any Caps/Floor ⁹	-	-				
If above is yes, specify caps/floor	-	-				
Moratorium Period ¹⁰	2 years					
Moratorium effective from	from the date of 1st disbursement					
Repayment Period ¹¹	7	7				
Repayment effective from	01.01.2011	01.01.2011				
Repayment Frequency ¹²	Annually	Annually				
Repayment Instalment ^{13, 14}	Repayment details are as per Form F5. Drawn Down details as per form F6C					
Base Exchange Rate ¹⁶	N.A.	N.A.				

Details of Foreign loans										Form No: F6B			
(Details only in respect of loans applicable to the project under petition)													
Name of the Company		DSL HYDROWATT LTD.											
Name of the Power Station													
Exchange Rate at COD													
(Amount in Cr)													
Financial Year (Starting from COD)	Year 1				Year 2				Year 3 and so on				
	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	
Currency 1 ¹													
At the date of Drawl ¹													
Scheduled repayment date of principal													
Scheduled payment date of interest													
At the end of Financial year													
Currency 2 ¹													
At the date of Drawl ²	-----N.A.-----												
Scheduled repayment date of principal													
Scheduled payment date of interest													
At the end of Financial year													
Currency 3 ¹ & so on													
At the date of Drawl ²													
Scheduled repayment date of principal													
Scheduled payment date of interest													
At the end of Financial year													
¹ Name of the currency to be mentioned e.g. US\$, DM, etc.													
² In case of more than one drawal during the year, Exchange rate at the date of each drawl to be given.													

Draw Down Schedule for Calculation of IDC & Financing Charges

Form No. F&C

Name of the Company - DSL Hydrowatt Ltd

Name of the Power Station - Sarbari II

Sl. No.	Drawn Down Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	(Amount in Cr)
		Oct.2008 to Dec.2008	Jan.09 to Mar.09	April 09 to June 09	Jul 09 to Sept.09	Oct. 09 to Dec.09	Jan.10 to Mar.10	April 10 to June 10	Jul 10 to Sept 10	Oct.10 to Dec.10	
		Amount in Indian Rupee	Amount in Indian Rupee	Amount in Indian Rupee	Amount in Indian Rupee	Amount in Indian Rupee					
1	Loans										
1.1	Foreign Loans	-	-	-	-	-	-	-	-	-	
1.1.1	Foreign Loan 1										
	Draw down Amount	-	-	-	-	-	-	-	-	-	
	IDC	-	-	-	-	-	-	-	-	-	
	Financing charges	-	-	-	-	-	-	-	-	-	
1.1.2	Foreign Loan 2										
	Draw down Amount	-	-	-	-	-	-	-	-	-	
	IDC	-	-	-	-	-	-	-	-	-	
	Financing charges	-	-	-	-	-	-	-	-	-	
1.1.3	--	-	-	-	-	-	-	-	-	-	
	--	-	-	-	-	-	-	-	-	-	
	--	-	-	-	-	-	-	-	-	-	
1.1	Total Foreign Loans	-	-	-	-	-	-	-	-	-	
	Draw down Amount	-	-	-	-	-	-	-	-	-	
	IDC	-	-	-	-	-	-	-	-	-	
	Financing charges	-	-	-	-	-	-	-	-	-	
1.2	Indian Loans	-	-	-	-	-	-	-	-	-	
1.2.1	Indian Loan 1										
	Draw down Amount	2.91	1.87	4.24	3.28	3.96	-	-	-	8.74	25.00
	IDC	0.02	0.10	0.20	0.30	0.39	0.45	0.52	0.41	-	2.40
	Financing charges	0.05	-	-	-	-	-	-	-	-	0.05
1.2.2	Indian Loan 2										
	Draw down Amount	-	-	-	-	-	-	-	5.50	-	5.50
	IDC	-	-	-	-	-	-	-	-	-	-
	Financing charges	-	-	-	-	-	-	-	0.06	-	0.06
1.2.3	--	-	-	-	-	-	-	-	-	-	
	--	-	-	-	-	-	-	-	-	-	
	--	-	-	-	-	-	-	-	-	-	
1.2	Total Indian Loans	-	-	-	-	-	-	-	-	-	
	Draw down Amount	2.91	1.87	4.24	3.28	3.96	-	-	5.50	8.74	30.50
	IDC	0.02	0.10	0.20	0.30	0.39	0.45	0.52	0.41	-	2.40
	Financing charges	0.05	-	-	-	-	-	-	0.06	-	0.11
1	Total of Loans drawn	2.91	1.87	4.24	3.28	3.96	-	-	5.50	8.74	30.50
	IDC	0.02	0.10	0.20	0.30	0.39	0.45	0.52	0.41	-	2.40
	Financing charges	0.05	-	-	-	-	-	-	0.06	-	0.11

Note: Drawal of debt and equity shall be on paripassu basis to meet the commissioning schedule. Drawal of higher equity in the beginning is permissible.

Details of Expenses Capitalised, if any

Form No: F7

(Rs Crores)

Sl. No.	Particulars	COD Year			
		FY (n)	FY (n+1)	FY (n+2)	FY (n+3)
1	Interest & Finance charges Capitalised	2.51	-	-	-
2	Other expenses capitalised		-	-	-
a.	Employee expenses	1.02			
b.	R&M Expenses	0.003			
c.	A&G Expenses	1.72			
d.	Depreciation	-			
e.	Others, if any	-			
	Sub-total	2.74			
	Total	5.25	-	-	-

Details of non tariff income		Form No: F8			
		(Rs. Crores)			
Sl. No.	Particulars	COD YR			
		FY (n)	FY (n+1)	FY (n+2)	FY (n+3)
		10-11	11-12	12-13	13-14
					Estimated
A	Income from Investment, Fixed & Call Deposits				
1	Interest Income from Investments	-	-	-	-
2	Interest on fixed deposits	0.03	-	-	-
3	Interest from Banks other than Fixed Deposits	-	-	-	-
4	Interest on any other items	-	-	0.05	-
	Sub-total	0.03	-	0.05	-
		-	-	-	-
B	Other Non Tariff Income	-	-	-	-
1	Interest on loans and Advances to staff	-	-	-	-
2	Interest on Loans and Advances to Licensee	-	-	-	-
3	Interest on Loans and Advances to Lessors	-	-	-	-
4	Interest on Advances to Suppliers / Contractors	-	-	-	-
5	Gain on Sale of Fixed Assets	-	-	-	-
6	Income/Fee/Collection against staff welfare activities	-	-	-	-
7	Revenue from surcharges for late payment	-	0.01	0.05	-
8	Miscellaneous receipts	0.01	0.02	0.26	0.01
	Sub-total	0.01	0.03	0.31	0.01
		-	-	-	-
	Total	0.04	0.03	0.36	0.01

Contributions, Grants and subsidies towards Cost of Capital Assets					Form No: F9					
					COD Year			(Rs. Crores)		
					FY (n-1)	FY (n)	FY (n+1)	FY (n+2)	FY (n+3)	
				1	Subsidies Towards Cost Of Capital Asset	-	-	3.32	-	-
				2	Grant Towards Cost Of Capital Assets	-	-	-	-	-
					Total			3.32		

Working Capital Requirements			Form No: F10			
			(Rs. Crores)			
Sl. No.	Particulars		COD YR			
			FY (n)	FY (n+1)	FY (n+2)	FY (n+3)
	For Fixed Charges					
	O&M Charges**	Months 1	0.07	0.08	0.08	0.09
	Maintenance Spare (% of O&M exepenses)	(% of O&M exepenses) 15%	0.13	0.14	0.15	0.16
	Receivables for Debtors***	Months 2	1.92	1.85	1.79	1.72
	Total Working capital		2.13	2.07	2.02	1.96
	Rate of Interest*	13.50%				
	Interest on Working capital		0.29	0.28	0.27	0.27
*	Rate of Interest is taken as actual prevailing presently (as on June 13)					
**	O&M Charges in COD yr have been taken as average of actuals O&M Charges of fy 2011-12 & 2012-13, Escalation @5.72%p.a					
***	Receivables for Debtors is calculated fom the working of Proposed levellised tariff					

5.94 100000

594000

0.06

Income Tax Provisions		Form No: F11			
		(Rs. Crores)			
Sr. No.	Particulars	COD Year			
		FY (n)	FY (n+1)	FY (n+2)	FY (n+3)
	Payments				Estimated
1	Provision Made/Proposed For The Year	0.04	0.58	0.70	0.73
2	As Per Return Filed For The Year***	0.04	0.58	0.70	-
3	As Assessed For The Year				
4	Credit/Debit Of Assessment Year(s) (Give Details)				
	Total	0.04	0.58	0.70	0.73
	Tax Rate considered				
1	Tax Rate				
2	MAT Rate	18.00	18.50	18.50	18.50
3	Surcharge	7.50	5.00	5.00	5.00
4	Cess Rate	3.00	3.00	3.00	3.00
5	Effective IT				
6	Effective MAT	19.93	20.01	20.01	20.01
	Exemptions				
1	Under 80IA Exemption	Yes	Yes	Yes	Yes
2	Any other				

Proposed Tariff	Form No: T1
Proposed levellised tariff for a period of forty years	Rs per unit * 3.86

* Complete calculations shall be submitted alongwith the proposed tariff

Revenue from Sale of Power (at Proposed tariffs)

Form No: T2

Proposed revenue from Sale of Power (at proposed tariffs)

Year	Units Sold		Proposed tariff	Total revenue
	MU		Rs/unit	Rs Cr
1	24.88		3.86	9.60
2	24.88		3.86	9.60
3	24.88		3.86	9.60
4	24.88		3.86	9.60
5	24.88		3.86	9.60
6	24.88		3.86	9.60
7	24.88		3.86	9.60
8	24.88		3.86	9.60
9	24.88		3.86	9.60
10	24.88		3.86	9.60
11	24.88		3.86	9.60
12	24.88		3.86	9.60
13	23.18		3.86	8.95
14	23.18		3.86	8.95
15	23.18		3.86	8.95
16	23.18		3.86	8.95
17	23.18		3.86	8.95
18	23.18		3.86	8.95
19	23.18		3.86	8.95
20	23.18		3.86	8.95
21	23.18		3.86	8.95
22	23.18		3.86	8.95
23	23.18		3.86	8.95
24	23.18		3.86	8.95
25	23.18		3.86	8.95
26	23.18		3.86	8.95
27	23.18		3.86	8.95
28	23.18		3.86	8.95
29	23.18		3.86	8.95
30	23.18		3.86	8.95
31	19.79		3.86	7.64
32	19.79		3.86	7.64
33	19.79		3.86	7.64
34	19.79		3.86	7.64
35	19.79		3.86	7.64
36	19.79		3.86	7.64
37	19.79		3.86	7.64
38	19.79		3.86	7.64
39	19.79		3.86	7.64
40	19.79		3.86	7.64
	913.74			352.67

THE COMPANIES ACT, 1956
PUBLIC COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
DSL HYDROWATT LIMITED

1. The Regulations contained in table 'A' in Schedule 1 to the Companies Act, 1956 shall apply to the company.
2. The name of the Company is DSL HydroWatt Limited.
3. The share capital of the company shall be as stated in the memorandum and the same is authorised to be altered as per provisions of the Companies Act, 1956.
4. The Board may from time to time at its discretion, subject to the provisions of the Companies Act, 1956 raise or borrow from any source and secure payment of any sum or sums for the purpose of the company.
5. There shall be minimum of three directors and maximum of twelve directors.
The following shall be first directors of the Company.
 1. Mr. Yashwant Kumar Daga
 2. Mr. OM Prakash Dokania
 3. Mr. Pradip Kumar Drolia
6. The Board of Directors shall provide a Seal for the purpose of the Company and shall have power, from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal and seal shall except as otherwise empowered under the 'Act or rules there under, never be used except by the authority of the Board of Directors or a Committee of the Board of Directors and one Director or Secretary or any other person appointed by the Board shall sign every instrument to which the seal is affixed; provided nevertheless, that any instrument bearing the seal of the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.
7. Where in the Companies Act, it has been provided that the company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transaction as have been permitted by the Act, without there being there any specific regulation in that behalf herein provided.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Articles of Association and we respectively agree to take the number of shares in the Capital of the company set opposite our respective names.

Sl. No.	Names, Addresses and Descriptions and Signatures, occupation of Subscribers	No. of Equity shares taken by each subscribers	Names, Address, occupation & description of witness
1.	Sd/- Vithal Dal Mall S/o. Late Gopal Das Mall. 16, Khelat Ghosh Lane, Kolkata - 700 006 Occupation : Service	10 (Ten)	I Witness signatures of all the subscribers Sd/-
2.	Sd/- Om Prakash Dokania S/o Late Nathmal Ram Dokania 14, Lake Place, Kolkata - 700 0029 Occupation - Company Executive	10 (Ten)	Nawal Khandelwal S/o. Shri Shiv Dayal Khandelwal 16, Hare Street, Calcutta - 700 001. Occupation : Service
3.	Sd/- Yashwant Kumar Daga S/o Shri Pradip Kumar Daga 5, Merlin Park, Kolkata - 700 019 Occupation : Business	10 (Ten)	
4.	Sd/- Rajendra Prasad Choudhary, S/o Shri Durga Prasad Choudhary 26/1 Bangur Avenue, Calcutta - 700 055 Occupation : Service	10 (Ten)	
5.	Sd/- Anand Vijay Lohia S/o Om Prakash Lohia 181/38, Dakhindori Road, Kolkata - 48 Occupation : Service	10 (Ten)	
6.	Sd/- Pradeep Kumar Drolia S/o Sri Govind Prasad Drolia 100 S.N. Roy Road, Kolkata - 700 038 Occupation : Chartered Accountant	10 (Ten)	
7.	Sd/- Deepak Spinners Limited Regd. Office 121, Industrial Area, Baddi (H.P) Through Mr. K.K. Gupta V.P (F) - Secy. S.C.O 16, Sector 26, Chandigarh	49,940 (Forty Nine Thousand Nine Hundred forty only)	

Total - 50,000
(Fifty Thousand)

Kolkata, Dated 8th November, 2001

FOR DSL HYDROWATT LTD.

MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

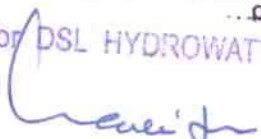
OF

DSL HYDROWATT LIMITED

THE COMPANIES ACT, 1956
PUBLIC COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
DSL HYDROWATT LIMITED

- I. The name of the Company is DSL HYDROWATT LIMITED.
- II. The Registered office of the Company will be situated in the State of Himachal Pradesh.
- III. The Objects for which the Company is established are :
 - A. MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :-
 1. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell resell, acquire, use, transmit accumulate, employ distribute, develop, handle, protect, supply and to act as agent broker, representative consultant collaborator or otherwise to deal in electric power, Micro Hydel and Hydel power of all categories / branches at such place or places as may be permitted by appropriate authorities by establishment of thermal power plants, hydroelectric power plants atomic power plants wind power plants solar power plants Bio-gas plants and other power plants based on any sources of energy as may be developed or invented in future and to process or deal with all products by products waste and residues resulting from or ancillary and incidental to such production, to construct, laydown establish, promote, erect, build, install, commission, carry out and run all necessary power substations, workshops, repairshops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution and supply of electricity to participating industries state electricity boards other Govt. Agencies and other purpose and also to provide regular services for repairing and maintenance of all distribution and supply lines.
 - B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE MAIN OBJECTS ARE:-
 1. To acquire concessions facilities or licenses from electricity boards, government, semi governments or local authorities for generation, distribution, production, transmission or use of electric power and to take over along with all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of foregoing objects and to carry on the business of electrical, civil and mechanical engineers and manufacturers of and dealers in apparatus and things required for and capable of being used in connection with the generation, distribution, supply accumulation and employment of electricity.
 2. To advance, deposit or lend money, securities and property (not amounting to the business of banking as defined under the Banking Regulation Act, 1949) to or with such persons, firms or bodies corporate as the Company thinks fit and in particular to customers

For DSL HYDROWATT LTD.


DIRECTOR

and others having dealings with the Company and on such terms as many seem expedient, and to discount, buy, sell and deal in bills notes, warrants, coupons, and other negotiable or transferable securities or documents and guarantee the performances of any contract by any such person.

3. In connection with the business of the Company to purchase a otherwise acquire and/or to sell, exchange, surrender, lease, mortgage, charge, convert, hold, turn to account dispose of and deal in any of the business undertaking(s) and concerns real and personal property and rights of all kinds and in particular lands, buildings, hereditament and debenture-stocks, mortgages, debentures, produce, concession, options, contracts, patents, annuities, licenses, stock, shares, securities, bonds, policies, book debts and claims privileges and chooses in action of all kinds, including any interest in real or personal property and any claim against such property or against any person or Company, to pay the consideration for any undertaking, rights or property acquired by the Company either by cash or in kind or by Issue of shares and to carry on any business, concern or undertaking so acquired.
4. Subject to the provisions of the Act and the rules framed thereunder and the directives issued by To draw, make, of banking as defined under the Banking Regulation Act, 1949) and to borrow or raise money from any bank or bank or any other person. Institution or body whether incorporated or not in Reserve Bank of India to receive money, securities, valuables of all kinds on loan or deposit (non amounting to the business all or any of the Company's property (both present and future) including its uncalled capital and also by sillier mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or body corporate of any obligation undertaken by the Company or any other person a body corporate as the case may be provided that the Company shall not carry on he business of banking.
5. To draw, make, accept endorse, negotiate, discount, execute and issue cheques, drafts, promissory notes, hundies, bills of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments.
6. To acquire from time to time and to manufacture and deal in all such stock-in-trade, plant and machinery, goods chattels, and effects as may be necessary or convenient for any business for the being carried on by the Company.
7. To invest and deal with any money of the Company not immediately required in such investments as the Company may deem fit and to hold, sell, vary or otherwise deal with such investments.
8. To lend and advance money, securities and property either with or without security or interest and to give credit to such terms and conditions as the Company may think fit for the purpose of the business of the Company. Provided that the company shall not carry on the business of Banking.
9. To undertake financial and commercial obligations, transactions and operations of all kinds in connection with the business of the Company.
10. To guarantee the performance of any contact or obligation or become liable for the payment of capital and principal or dividends or interest on any stock, shares or securities on any company, corporation, firm or persons on such terms and conditions as the Company may think fit and to provide security in connection therewith.
11. To issue on commission, subscribe for, purchase or otherwise acquire and sell, dispose of, exchange, hold and deal in shares, stocks, commercial paper or other negotiable instruments bonds, debentures, debenture-stocks, pubic securities or other securities issued by any authority, Central, State, Municipal, local or otherwise.

12. To communicate with various Chambers of Commerce and other mercantile and public bodies throughout the world and concert and promote measures for the protection and advancement of the trade, industry and commerce and other facilities.
13. To subscribe, to become a member of, to enter into partnership, subsidies and co-operate with any other association, whether incorporate or not whose objects are altogether or in part similar to those of the Company, and to procure from and communicate to any such association, such information as may be likely to forward the objects of the Company.
14. To build, construct, erect, alter, enlarge, remove, lay down, replace, maintain, improve, develop, work, control and/or manage, maintain any building, offices factories, mills, machinery, engines, water-courses gasworks, bridges, wharves, reservoirs, roads, sidings, electric power, heat and light supply works, telephone works, hotels, clubs, restaurants, baths, places of amusement pleasure grounds, park, gardens, reading room, stores, shops, dairies, poultry, piggery, farm houses, pisciculture and other works and conveniences which the Company may think directly or indirectly conducive to its objects or which may advance the interests of the Company and to contribute or otherwise assist or take part in the erection, construction, maintenance, development, working, control and management thereof and to join with any other person or company as partner or co-owner in doing any of these things.
15. To improve, manage, develop, grants rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the Company.
16. To purchase or acquire and undertake all or any part of the business, property, rights and liabilities of any person, firm or company carrying on or proposing to carry on any business which the company is authorised to carry on, or possessed of property or rights suitable for any of the purpose of the company or which can be carried on in conjugation therewith or which is capable of being conducted so as to directly or indirectly benefit the company.
17. To vest any real or personal property, rights or interest acquired by or belonging to the Company or any person or other company on behalf of or for the benefit of the Company with or without any declared trust in favour of the Company.
18. To purchase, take on lease, exchange, hire or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business.
19. To apply for, purchase or otherwise acquire, protect and renew any patents, patent rights, trade marks, designs, licenses, protections, concessions etc. conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information regarding any invention or research which may seem capable of being used for any of the purpose of the Company, or the acquisition of which any seem calculated directly or indirectly to benefit this Company and to use, exercise, develop or grant licenses in respect thereof or otherwise turn to account the rights or information so acquired.
20. Subject to the provisions of the Act to amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession or for limiting competition with any person, firm or body corporate whether in India or outside carrying on or engaged in or about to carry on or engage in any business or transactions which the Company is authorised to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly benefit the Company and further to enter into any arrangement or contact with any person, association or body corporate whether in India

and outside, for such other purposes that may seem conducive to the objects of the Company.

21. To form, establish incorporate, promote, or concur in establishing or promoting any Company or Companies, whether in India or abroad whose objects shall include the acquisition and taking over of all or any of the property, rights, assets and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company or otherwise prove advantageous other Company and to the transfer to any such Company and property of the Company and to place or guarantee the blessing of underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such company and to subscribe or otherwise assist any such other company.
22. To pay for any rights or property acquired by the Company and to remunerate any person, company or public bodies as and by way of agencies for commission or brokerage whether by cash payment or by allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
23. To sell, exchange, lease, let out on hire, royalty, share of profits, mortgage, pledge, hypothecate, grant licenses, easements and other rights over and in any other manner deal with or disposed of the whole or any part or parts of the undertaking of the Company or any land, business property, rights or assets of any kind of the Company or any share or interest therein respectively in such manner and for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other body corporate having objects altogether or in part similar to there of the Company.
24. To establish and equipped laboratory and carry on analytical, experimental and other work or undertaking any research in relation to the objects of the Company.
25. To pay any premium and to pay for any property, right or privileges acquired by the Company or for services rendered or to be rendered in connection with the promotion, formation or the business of the Company or for services rendered or to be rendered by any person, firm or body corporate in placing or assisting to place or guaranteeing the placing of any of the shares of the Company or any debentures, debenture-stocks, bonds or other securities of the Company, and to issue any such shares either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and to charge any such bonds, debentures or other securities upon all or any part of the property of he Company.
26. To pay out of the funds of the Company all costs, charges, expenses, preliminary and incidental to the promotion, establishment and registration of the Company.
27. To adopt such means of making loan the products business and interest of the Company as it may seem expedient and in particular advertising in the press, radio, video, television, cinema or by hoarding or by purchase and exhibitions of works of art or general interest, by publication of books and periodicals and by granting prizes, rewards and donation or sponsoring events or activities of general public interest.
28. To enter into any arrangement with any Government or Authority, Central, State, local or foreign or public body or person or firm or any private individual that may seem conducive to the Company's objects or any them and to obtain from any such Government, authority, person or Company any concessions, grants, decrees, rights, charters, contracts, licenses, powers and privileges, whatsoever which may seem to the Company capable of

being turned to account or which the Company made think directly or indirectly conducive to any of its objects or capable of being carried on in connection with its business and to work, develop, carry out exercise and turned to account the same.

29. To amalgamate with any other company or companies.
30. To take into consideration and to approve and confirm and/or carry out all acts deeds or thing that may be done or entered into with any person, firm or body corporate by the promoters of the Company and further to enter into any arrangement, agreement or contracts with the promoters and to reimburse them for all costs and expenses that may be incurred by them in a In connection with the formation or promotion of the Company.
31. To establish and maintain or procure the establishment and maintenance of any provident fund or any contributory or non-contributory pension or super-annuation fund and to give donations, gratuities, pensions, allowances, emoluments, bonuses, profit sharing bonuses, prizes, benefits, or any other payment to persons who are or were at any time in the employment or service of the Company or its successors in business or of any company, which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors of the Company or any such other company as aforesaid and the wives, widows, families, dependents or connections of any such persons and to provide for the welfare of all or any of the aforesaid persons from time to time by subscribing, subsidising or contribution to any institution, association, funds, clubs, trusts, profit sharing or other schemes and by building or contributing to the building of dwelling houses or quarters and by providing, subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance, and to make payments to or towards the insurance of any such persons as aforesaid and to do any of the matters aforesaid either alone or in conjunction with any such other company.
32. To aid monetarily or otherwise any association, body or movement having for its objects the solution, settlement or solving of industrial or labour problems or the problems or the promotion of industry or trade.
33. To make donation to such persons or institutions either in cash or of other assets as the Company may think directly or indirectly conducive to any of its objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to the company and also to subscribe, contribute or otherwise assist or guarantee money for any national, philanthropic, charitable, religious, benevolent, public, general or useful object, fund or organization or institution or for any exhibition or for any purpose which may be likely, directly or indirectly to further the objects of the Company or the interest of its members.
34. To receive gifts, privileges and benefits whether in cash or in kind and to undertake and execute any trusts either gratuitously or otherwise for the purpose of business of the Company.
35. In the event of winding-up to distribute all or any of the property of the Company amongst the members in specie or in kind, or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
36. To do all or any of the above things in any part of the World as principals, agents contractors, trustees or otherwise and either along or in conjunction with others and to establish offices, or branches for carrying on any of the aforesaid objects in India or elsewhere in the World and to undertake the

management of the companies having objects altogether or in part similar to those of the Company.

37. To acquire any shares, stocks, debentures, debenture-stocks, bonds, obligations, securities, by original subscription, participation in syndicates, tenders, purchases, exchange or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
38. To open account or accounts with any Bank or Banks and to pay into and withdraw money such account or accounts whether they may be in credit or debt.
39. To do all such other things as may be deemed incidental or conducive to the attainment of the objects or any of them.

C. THE OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE :

1. To carry on the business of buying, exporting, importing, treating, preparing and dealing in merchandise, commodities and articles of all kinds and generally to carry on the business as general merchants, contractors, guarantors, insurers, importers, exporters, factors, warehousemen, transporters, carriers, smelters, traders, engineers and in all other business in any capacity whatsoever.
2. To provide financial services, advice and facilities of every descriptions including (but without limiting the generality of the foregoing words all those capable of being provided by merchant bankers, stock brokers, stock jobbers, investment and pension fund managers and adviser, promoters and managers of unit trusts, mutual funds, and other investment media, trustees, insurance brokers, underwriters, issuing houses, monetary agents, investment consultants and financiers and to promote the formation and mobilisation of capital, to manage capital savings and investment to negotiate loans of every description, to raise venture capital or manage the issue of shares or other securities to undertake portfolio management, advisory and counseling services, to provide loan syndication, to revolve investments and to carry on business of foreign exchange brooking, dealing in securities licenses import and export entitlement certificates, Scrips.
3. To carry on the business of financing, leasing and hire-purchase financing and to finance the acquisition of or to acquire and provide on lease or hire purchase or deferred payment basis all types of vehicles, plants, machinery, equipment, tools, hardware, dies, mould, appliances implements, instruments or apparels, installations and fittings for domestic, industrial commercial, trading, office or agricultural and goods, articles and commodities of all kinds and description and to subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods or installations, to acquire and discount hire purchase or other agreements or any rights under them (whether proprietary or contractual), to undertake bill discounting, to purchase, finance, discount, rediscount bills of exchange, promissory notes and other negotiable instruments and securities to act as a discount and acceptance house, to borrow, to lend and generally to carry on the business of financing, factoring, consumer financing, housing finance and to act as factors or in any other capacity and to import, export, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods produce and merchandise.
4. To act as investors, guarantors and financiers with the object of financing industrial and other enterprises, to lend or deal in money either with or without interest or security, including in current or deposit account with any bank or banks other person or persons upon such terms conditions and

manner as may from time to time be determined and to receive money or deposit or loan upon such terms and conditions as the company may approve, provided that the company shall not do any banking business as defined under the Banking Regulations Act, 1949 and to insure or guarantee the payment or performance of any debt contract or obligation or become security for any person, firm or company for any purpose, and to act as agents for the collection, receipt or payment of money or otherwise, and generally to give guarantees and indemnities and to invest the capital or other funds of the company in purchase or acquisition of or rights in moveable or immovable properties, to use the capital, funds and assets of the company in moveable or immovable properties, to use the capital, funds and assets of the company as security for borrowing and the acquisition of or rights in immovable or immovable.

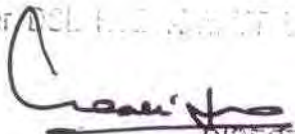
5. To carry on the business of spinners, weavers, manufacturers, ginners, pressers, packers, balers, Linners, cleaners, processors, doublers, combers, knitters, dyers, bleachers, calenderers, sellers, buyers, importers, exporters, mercerisers, distributors, barterers, shippers of all products and merchandise related to synthetics and textiles including cotton, linen, hemp, jute, silk artificial silk, rayon, nylon, manmade synthetic fibres, fibres, staple synthetic yarn, wool, hair leather and any other fibrous material. To carry on the business of manufacturers, processors, designers, distributors, stockists, importers and exporters of all or any of the products of fabrics and intermediates of all types, grades and formulations and including specifically plastic, polyester fibres, polyacrylonitrile, polyvinylacetate, polypropylene, nylon and rayon. To carry on the business of manufacturers, imports exporters and dealers in readymade cloth, garments and fabrics waterproof fabrics, pavliners, floor clothes carpets tent cloths, tweed, patto, pashminas blazer gabardine, drill, tapestry, geoggetta, linen, velvet, tarpaulin, canvas khaddar, lace, and lining. To carry on the business as buyers, sellers, dealers exporters of wool, silk, cotton, hemp and other fibrous material or any goods or merchandise whatsoever and to transact all manufacturing or treating and preparing processes and mercantile business and to purchase and vend raw materials and manufactured articles.

IV. The liabilities of the members is limited.

CLAUSE V

*The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rs. Twenty Five Crores only) divided into 40,00,000 (Forty lacs) Equity Shares of Rs. 10/- each, 19,00,000 (Nineteen Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each and 1,91,00,000 (One Crore Ninety One Lacs) 0% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs.10/- each with power to the Members of the Company to further reclassify and modify the Capital between Equity and Preference Capital on account of any conversions or adjustments in the Share Capital so as that the total Authorised Share Capital shall remain the same unless otherwise increased by the Company with the approval of the members with rights, privileges and conditions attached thereto as may be provided by the regulations of the Company for the time being in force with power to increase or reduce the Capital and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 1956) and to attach thereto respectively such preferential, qualified, deferred or special rights, privileges or conditions as may be determined in accordance with the regulations of the Company, and to modify or abrogate any such rights, privileges or conditions in such manner as may be lawfully permitted by the said Act.

*Altered vide Special Resolution passed by the Members of the Company in its Extra Ordinary General meeting held on 25th March, 2013.

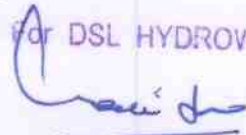
For DCL F. I. 2013/11/11

 DIRECTOR

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the company set opposite our respective names.

Sl. No.	Names, Addresses and Descriptions and Signatures, occupation of Subscribers	No. of Equity shares taken by each subscribers	Names, Address, occupation & description of witness
1.	Sd/- Vithal Dal Mall S/o. Late Gopal Das Mall. 16, Khelat Ghosh Lane, Kolkata - 700 006 Occupation : Service	10 (Ten)	I Witness signatures of all the subscribers Sd/- Nawal Khandelwal S/o. Shri Shiv Dayal Khandelwal 16, Hare Street, Calcutta - 700 001. Occupation : Service
2.	Sd/- Om Prakash Dokania S/o Late Nathmal Ram Dokania 14, Lake Place, Kolkata - 700 0029 Occupation - Company Executive	10 (Ten)	
3.	Sd/- Yashwant Kumar Daga S/o Shri Pradip Kumar Daga 5, Merlin Park, Kolkata - 700 019 Occupation : Business	10 (Ten)	
4.	Sd/- Rajendra Prasad Choudhary, S/o Shri Durga Prasad Choudhary 26/1 Bangur Avenue, Calcutta - 700 055 Occupation : Service	10 (Ten)	
5.	Sd/- Anand Vijay Lohia S/o Om Prakash Lohia 181/38, Dakhindori Road, Kolkata - 48 Occupation : Service	10 (Ten)	
6.	Sd/- Pradeep Kumar Drolia S/o Sri Govind Prasad Drolia 100 S.N. Roy Road, Kolkata - 700 038 Occupation : Chartered Accountant	10 (Ten)	
7.	Sd/- Deepak Spinners Limited Regd. Office 121, Industrial Area, Baddi (H.P) Through Mr. K.K. Gupta V.P (F) - Secy. S.C.O 16, Sector 26, Chandigarh	49,940 (Forty Nine Thousand Nine Hundred forty only)	
		<hr/> Total - 50,000 (Fifty Thousand) <hr/>	

Kolkata, Dated 8th November, 2001

For DSL HYDROWATT LTD.



DSL Hydrowatt Ltd
Annual Report & Accounts
2010-11

DSL HYDROWATT LIMITED

Board of Directors

Shri Shrikant Somani
Smt. Aradhana Somani
Shri Bhavin Sheth
Shri Yashwant Daga
Shri Om Prakash Dokania
Shri Bhagirath Pasari

Bankers:

Bank of Maharashtra
Axis Bank Ltd.

Registered Office:

121, Industrial Area,
Baddi-173205 Dist. Solan,
Himachal Pradesh.

Corporate Office:

Empire House, 3rd floor
214, Dr. D.N. Road, Fort
Mumbai-400001.

Auditors:

M/s. Batliboi & Purohit
Chartered Accountants

NOTICE is hereby given that the TENTH ANNUAL GENERAL MEETING of the members of DSL HYDROWATT LIMITED will be held at the Registered Office of the Company situated at 121, INDUSTRIAL AREA, BADDI, NALAGARH, DIST. SOLAN, (H.P) on ~~SAT~~ the 04th June, 2011 at 11:30 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date, together with the Directors' Report and Auditors' Report.
2. To ratify the Interim Dividend paid on the 6% Non-Cumulative Redeemable Preference Shares as final.
3. To declare a Dividend on Equity Shares
4. To appoint a Director in place of Mr. Shrikant Somani who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Bhagirath Pasari who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass the following resolution with or without modification/s, as an Ordinary Resolution.

“Resolved that M/s. Batliboi & Purohit, Chartered Accountants(Registration No.of Firm 101048W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 10th Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix the remuneration of the Auditors.”

By Order of the Board

For DSL Hydrowatt Limited



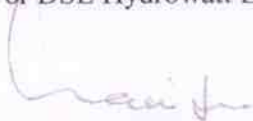
Shrikant Somani
Director

Place : Mumbai
Dated : 10/05/2011

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.**
2. The instrument(s) appointing the proxy, if any, should be delivered at the Registered Office of the Company at 121, Industrial Area, Baddi, Nalagarh, Dist. Solan, (H.P.) not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid.
3. The corporate members are requested to send a certified copy of Board resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of members and share transfer books will remain closed from Wednesday the 1st June, 2011 to Saturday the 4th June, 2011(both days inclusive).
5. The dividend recommended by the Board of Directors, if declared at the meeting will be payable to those members whose names are registered in the Register of Members of the Company at close of business on the 31st May,2011
6. Members desirous of having any information regarding accounts are requested to address their queries to the Company at the Registered Office of the Company at least 7 days before the date of meeting, so that the requisite information is made available at the meeting.

By Order of the Board
For DSL Hydrowatt Limited


Shrikant Somani
Director

Place : Mumbai
Dated : 10/05/2011

DSL HYDROWATT LIMITED
 REGD. OFFICE: 121, INDUSTRIAL AREA, BADDI-173205
 DIST. SOLAN, (H.P.)

DIRECTORS' REPORT

To
 The Members,

Your Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS:

Particulars	2010-11	2009-10
	Amount	Amount
Income from Operations	125,049,363	67,467,015
Other Income	2,014,013	123,664
Profit/(Loss)before depreciation	61,890,977	27,940,965
Less : depreciation	31,761,012	20,862,802
Profit/(Loss)after Depreciation	30,129,965	7,078,163
Provision for Taxation (MAT)	6,005,053	1,202,934
Provision for FBT	----	---
Deferred Tax Asset	-----	---
Profit after Tax	24,124,912	5,875,229
Less :Prior period Adjustment	272,822	1,098,181
Balance brought forward	7,039,463	3,474,702
Available for appropriation	30,891,553	8,251,750
Proposed Dividend on Preference and Equity Shares	1,134,106	1,036,186
Tax on Proposed Dividend	188,360	176,101
Balance carried forward	29,569,087	7,039,463

OPERATIONS:

Your Directors are pleased to inform you that the Second project of the Company known as SARBARI-II in Kullu Dist. in Himachal Pradesh was operational with effect from 25th August, 2010 and is working satisfactorily. It has the generating capacity of 5.4 MW and will generate around 33.25 Million Kwh in a normal water year. The figures for the current year are not comparable with the figures of the previous year as the current year's figures also include the income from SARBARI-II Project for part of the current financial year.

DSL HYDROWATT LIMITED
REGD. OFFICE: 121, INDUSTRIAL AREA, BADDI-173205
DIST. SOLAN, (H.P.)

During the year under review the Plant generated the net saleable units as mentioned hereunder.

(Units in Million)	
2010-11	2009-10
47.39	27.08

SARBARI –I & II SHPs:

The Outlook for the power producing sector in the country is bright as there is a wide gap between the electricity generated and the demand and particularly in view of the Government of India's programmes for rural electrification in the successive five year plans and the rural development programmes of the Government. The Government of India is encouraging new and renewable energy sources of power like Hydel, Solar, Wind, etc. and has offered subsidy and other support. The Company has also commissioned its SARBARI –II Project on the 25th August, 2010 which is expected to generate around 33 million Units in a normal water year and will further improve the earning of the company.

DIVIDEND:

Your Directors have considered the financial results for the year 2010-11 and in view of the satisfactory results and future trend of working of the company, your directors have recommended a dividend at the rate of 6% per annum to the 6% Non-Cumulative Redeemable Preference Shareholders of Rs.10/- each of the Company for the financial year 2010-11 which will amount to Rs.1,036,186

The Equity Shareholders have not been remunerated in the previous years and therefore, the Board of Directors in keeping with their commitment in the previous year has recommended a dividend at the rate of 10% on the paid up value of the Equity shares to the Equity Shareholders of the company for the financial year 2010-11 which will amount to Rs.97,920.

DIRECTORS:

Mr. Shrikant Somani and Mr. Bhagirath Pasari, Directors of the Company being longest in office retire by rotation and being eligible, offer themselves for re-appointment.

DSL HYDROWATT LIMITED
REGD. OFFICE: 121, INDUSTRIAL AREA, BADDI-173205
DIST. SOLAN, (H.P.)

DEPOSITS:

The company did not invite/accept any Fixed Deposits from the Public during the year under report.

STATUTORY INFORMATION:

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217 (1) (e) of the Act read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and information on particulars of employees under section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 (as amended) form the part of this Report.

PARTICULARS OF EMPLOYEES:

The Government of India has amended the Companies (Particulars of Employees) Rules, 1975 and accordingly the statement referred to in sec.217(2A) is not required to be furnished if the employee is in receipt of a remuneration of less than Rs.60 lacs in that year or less than Rs.5 lacs per month in the financial year and there is no employee in the company who is in receipt of such a remuneration.

A. CONSERVATION OF ENERGY:

The Company is an electricity generating undertaking through a continuous process and it has only auxiliary consumption, that is, energy consumed in various auxiliaries of the project and generating station. The use of power for the generating station and auxiliaries was minimal and the company conserves power through improved operational and maintenance practices.

B. TECHNOLOGY ABSORPTION:

The Company's SHP SARBARI-I has been commissioned during the financial year only and, therefore, company can look forward to the development of technology and innovation in the process of generation of hydel power and adopt them suitably to improve generation and actual saleable power.

DSL HYDROWATT LIMITED
REGD. OFFICE: 121, INDUSTRIAL AREA, BADDI-173205
DIST. SOLAN, (H.P.)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earned	:	Rs.1,513,613/-
Foreign Exchange Used	:	Rs. 201,843/-

AUDITORS:

M/s. Batliboi & Purohit, Chartered Accountants, the Statutory Auditors of the Company were appointed for the first time in the Annual General Meeting of the Company and retire at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for reappointment from the conclusion of the Tenth Annual General Meeting until the conclusion of the next Annual General Meeting.

M/s. Batliboi & Purohit, Chartered Accountants have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm the following in respect of the audited annual accounts of the Company for the year ended 31st March 2011.

that in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company and that there are no material departures.

that the Directors have selected such accounting policies and applied them consistently and made judgment 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 year ended 31st March 2011 and of the profit of the Company for the year under review.

that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

that the Directors have prepared the annual accounts on a going concern basis.

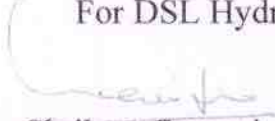
DSL HYDROWATT LIMITED
REGD. OFFICE: 121, INDUSTRIAL AREA, BADDI-173205
DIST. SOLAN, (H.P.)


APPRECIATION:

Your Directors place on record their appreciation and sincere thanks to Government of Himachal Pradesh, Himachal Pradesh State Electricity Board, HIMURJA (the state agency for development of power), Forest Department and other Govt. Agencies and company's Bankers, Bank of Maharashtra, Pune, (Maharashtra) for their valuable co-operation and support received from time to time.

Your Directors are also pleased to place on record their appreciation of the dedicated services of the employees and workmen at all levels and various contractors involved in the construction and erection of the SARBARI-I and SARBARI-II Projects of the Company in the Scheduled time.

For and on behalf of the Board
For DSL Hydrowatt Limited


Shrikant Somani
Director


Bhavin Sheth
Director

Place: Mumbai
Date: 10th May, 2011

BATLIBOI & PUROHIT

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To,
The Members of
DSL Hydrowatt Limited

1. We have audited the attached balance sheet of **DSL Hydrowatt Limited (the Company)** as at 31 March 2011, the profit and loss account and also the cash flow statement 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 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 ("the Order"), 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks, as we considered appropriate, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The balance sheet, profit and loss account and cash flow statement referred in this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - e) On the basis of written representations received from the directors of the Company, as on 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;



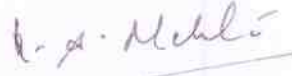
National Insurance Building, 204, Dadabhoy Naoroji Road, Fort, Mumbai- 400 001.
Telephone : 2207 7941 / 42 • Fax : 2207 4260 • Website : www.batliboipurohit.com

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon in Schedule '14', give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - ii. in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - iii. in the case of cash flow statement, of the cash flows of the Company for the year ended on that date.

For BATLIBOI & PUROHIT

Chartered Accountants

Firm Reg.No. 101048W

**Kaushal Mehta**

Partner

Membership No.111749

Place : Mumbai
Dated : 10.05.2011



ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN**PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any part of the fixed assets.
- (ii) (a) As explained to us, the stock of stores and spare parts have been physically verified by the management at the end of the year, which in our opinion is reasonable.
- (b) According to the information and explanations given to us, the procedures for physical verification of stock followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. According to the information and explanations given to us, the discrepancies noticed on physical verification of stocks were not material and the same have been properly dealt with in the books of account.
- (iii) (a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans as stated above, the clause 4(iii)(b), 4(iii)(c), 4(iii)(d), of the Order are not applicable.

The Company has taken unsecured interest free loans from 4 companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs.115,621,000 and the aggregate year end balance was Rs. 72,971,000.

- (c) The other terms and conditions of the unsecured loans are prima facie, not prejudicial to the interest of the Company. These loans are repayable on demand and there is no repayment schedule. No interest is payable as the loans taken are interest free.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of electrical energy. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.



Chartered Accountants

- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in the register maintained under 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 such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding Rs. 500,000 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. As explained to us, the Company has not entered into any transactions for sale of goods, materials and services in pursuance to contracts or arrangements as aforesaid.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) The Company has an internal audit system. In our opinion, internal audit system is required to be further strengthened as to its coverage and scope in order to be commensurate with the size and nature of its business.
- (viii) In our opinion and according to the information and explanations given to us, the requirement maintenance of cost records under Clause (d) of Sub-Section (1) of Section 209 of the Companies Act, 1956 is not applicable to the Company during the year.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, work contract tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues with the appropriate authorities, wherever applicable. No undisputed amounts payable in respect of aforesaid statutory outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The Company do not have accumulated losses at the end of the financial year. The Company has not incurred cash loss during the financial year covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institution and by way of debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, clause 4(xiii) of the Order is not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and accordingly, the clause (xiv) of the Order is not applicable to the Company.



Chartered Accountants

- (xv) The Company has given guarantees and security by way of mortgage/hypothecation of its project assets in respect of loan taken by a group company from a bank, the terms and conditions whereof, in our opinion are not prima facie prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loan raised during the financial year was applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has made preferential allotment of preference shares to a company covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures during the year.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

**For BATLIBOI & PUROHIT***Chartered Accountants*

Firm Reg.No. 101048W

Kaushal Mehta*Partner**Membership No.111749*Place : Mumbai
Dated : 10.05.2011

DSL HYDROWATT LIMITED

BALANCE SHEET AS AT 31st MARCH,2011

	Schedule	As at 31/03/11 Rs.	As at 31/03/2010 Rs.
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	188,248,960	105,248,960
Reserves and Surplus	2	65,194,085	42,664,464
2. Loan Funds			
Secured Loans	3	493,787,921	412,329,687
Unsecured Loans	4	72,971,000	95,099,100
Total		820,201,966	655,342,211
II. APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	872,680,104	415,509,260
Less: Depreciation		70,575,971	38,814,959
Net Block		802,104,133	376,694,301
Capital Work-in-Progress(including capital advances) (Refer Note 5 of Schedule ' 14 ')		-	244,825,110
		802,104,133	621,519,411
2. Deferred Tax Assets			
		1,402,109	1,402,109
3. Pre-operative Expenditure during Construction Period (Pending capitalisation / allocation)			
	6	-	35,436,536
4. Current Assets, Loans and Advances			
Inventories	7	4,100,926	513,491
Sundry Debtors		18,057,646	8,630,250
Cash and Bank balances		12,205,813	5,385,417
Other Current Assets		577,862	253,019
Loans and Advances		25,022,976	4,979,167
Total (A)		59,965,223	19,761,344
Less : Current Liabilities and Provisions			
Current Liabilities	8	32,600,704	19,229,960
Provisions		10,668,795	3,547,228
Total (B)		43,269,499	22,777,188
Net Current Assets / (Liabilities) (A - B)		16,695,724	(3,015,844)
5. Miscellaneous Expenditure (to the extent not written off or adjusted)			
	9	-	-
Total		820,201,966	655,342,211

As per our report of even date attached

FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No.: 101048W
(Kaushal Mehta)
PARTNER



Membership No.: 111749
Mumbai ; Dated :10th May 2011

For and on behalf of the Board of Directors

(Shrikant Somani)
Director

(Bhavin Sheth)
Director

Mumbai ; Dated :

DSL HYDROWATT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	Current Year (Rs.)	Previous Year (Rs.)
INCOME			
Revenue from Operations			
Sarbari I		81,901,198	67,472,000
Sarbari II (COD is 25th Aug.2010)		43,148,165	-
Other Income	10	2,014,013	123,664
Increase/ (decrease) in Inventory		3,587,435	(4,985)
		<u>130,650,811</u>	<u>67,590,679</u>
EXPENDITURE			
Employees' remuneration and benefits	11	10,452,999	5,585,086
Operative and Administrative expenses	12	11,421,209	5,378,440
Interest and Finance Charges	13	46,885,626	27,920,837
Depreciation /Amortisation		31,761,012	20,862,802
Loss on Sale of Honda CRV		-	755,872
Preliminary Expenses written off		-	9,479
		<u>100,520,846</u>	<u>60,512,516</u>
Profit before Tax		30,129,965	7,078,163
Provision for Taxation			
- Current Tax (MAT)		6,005,053	1,202,934
Profit after Tax		<u>24,124,912</u>	<u>5,875,229</u>
Less: Prior year expenditure written off		272,822	1,098,181
Less: Dividend on Preference Shares		1,036,186	1,036,186
Less : Proposed Dividend on Equity Shares		97,920	-
Less: Dividend Distribution Tax Paid on Preference Shares		172,097	176,101
Less: Dividend Distribution Tax Paid on Equity Shares		16,263	-
Balance carried to Balance Sheet		<u>22,529,624</u>	<u>3,564,761</u>
Basic Earning / (Loss) Per Share		246.37	60.00
Diluted Earning / (Loss) Per Share		1.72	1.83
Face value per shares		10.00	10.00

Significant accounting policies and notes to accounts

14

Schedules referred to above form an integral part of the financial statements

As per our report of even date attached

FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No.10148W

K. A. Mehta
(Kaushal Mehta)
PARTNER

Membership No.: 111749
Mumbai ; Dated : 10th May 2011



For and on behalf of the Board of Directors

Shrikant Somant
(Shrikant Somant)
Director

Bhavin Sheth
(Bhavin Sheth)
Director

DSL HYDROWATT LIMITED

	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
SCHEDULE '1'		
SHARE CAPITAL		
Authorised :		
100,000 Equity Shares of Rs.10 each	1,000,000	1,000,000
1,900,000 6% Non-cumulative Preference Share of Rs. 10 each	19,000,000	19,000,000
17,000,000 (13,000,000) 0% Optionally Convertible Non-cumulative Redeemable Preference Share of Rs.10 each	170,000,000	130,000,000
	<u>190,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Paid up :		
97,920 Equity Shares of Rs.10 each fully paid up (Out of the above, 49,940 Equity Shares are held by Deepak Spinners Limited, the holding company)	979,200	979,200
1,726,976 , 6% Non-cumulative Preference Shares of Rs.10 each fully paid up	17,269,760	17,269,760
170,00,000 (previous year: 87,00,000) 0% Optionally Convertible Non-cumulative Redeemable Preference Share of Rs.10 each	170,000,000	87,000,000
	<u>188,248,960</u>	<u>105,248,960</u>

Notes:

- 1(a) 348,943 6% Non-cumulative Redeemable Preference Shares shall be redeemed at any time after expiry of three years but before twenty years from the date of issue i.e. 28 July 2008.
- (b) 1,378,033 6% Non-cumulative Redeemable Preference Shares shall be redeemed at any time after expiry of three years but before twenty years from the date of issue i.e. 9 February 2007.
- 2 a.) 141,00,000 , 0% Optionally Convertible Non-cumulative Redeemable Preference shares shall be converted into equity shares, at any time between 4th and 7th years at the option of the holder. The preference shares, if not converted into equity shares as above shall be redeemed by the Company at the end of 10 years from the date of allotment at a premium of 6% per annum calculated on the issue price.
- b) 29,00,000, 0% Optionally Convertible Non-cumulative Redeemable Preference shares shall be converted into equity shares, at any time between 4th and 7th years at the option of the holder. The Preference Shares, if not converted into Equity Shares as above shall be redeemed by the Company at the end of 10 years from the date of allotment at a premium of 5% calculated on the issue price.



DSL HYDROWATT LIMITED

	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
SCHEDULE '2'		
Reserves and Surplus		
a) Capital subsidy (Received from Ministry of New & Renewable Energy Sources - small hydro power division for setting up of Sarbari - I)	35,625,000	35,625,000
b) 'Gernal Reserve A/c Opening Balance Transferred from Profit & Loss A/c	7,039,461	3,474,702
	22,529,624	3,564,761
	<u>65,194,085</u>	<u>42,664,464</u>
SCHEDULE '3'		
SECURED LOANS		
From Banks:		
Term loans (Secured by way of first and exclusive charge against all movable and immovable properties (including current assets) of the Company, both present and future).	485,652,547	406,026,842
Cash credit (Secured against hypothecation of stocks of consumables and sundry debtors of the Company)	6,679,888	4,392,249
From others:		
Vehicle loans Kotak Mahindra Prime Limited (Secured against hypothecation of vehicles)	1,455,486	1,910,596
	<u>493,787,921</u>	<u>412,329,687</u>
SCHEDULE '4'		
UNSECURED LOANS		
From body corporates (Interest free)	72,971,000	95,099,100
	<u>72,971,000</u>	<u>95,099,100</u>



DSL HYDROWATT LIMITED

SCHEDULE ' 5'

FIXED ASSETS

Sr. No.	Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		As at 01/04/2010 (Rs.)	Additions (Rs.)	Deletions Adjustment (Rs.)	As at 31/03/2011 (Rs.)	Upto 31/03/2010 (Rs.)	For the year (Rs.)	Deletions Adjustment (Rs.)	As at 31/03/2011 (Rs.)	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
1	Freehold Land	5,693,201	4,935,026	-	10,628,227	-	-	-	-	10,628,227.00	5,693,201
2	Leasehold land	9,314,485	1,313,153	-	10,627,638	690,604	265,691	-	956,295	9,671,343	8,623,881
3	Plant and machinery	358,450,381	237,255,753	-	595,706,134	35,457,756	26,153,849	-	61,611,605	534,094,529	322,992,625
4	Plant Building	37,010,944	197,588,217	-	234,599,161	1,927,804	4,846,033	-	6,773,837	227,825,324	35,083,140
5	Building	-	14,401,314	-	14,401,314	-	75,083	-	75,083	14,326,231	-
6	Furniture and fixtures	262,547	712,561	-	975,108	84,165	33,917	-	118,082	857,026	178,382
7	Vehicles	4,144,129	516,466	-	4,660,595	485,082	294,515	-	779,597	3,880,998	3,659,047
8	Office equipments	274,734	49,264	-	323,998	40,382	12,317	-	52,699	271,299	234,352
9	Computers	358,839	399,090	-	757,929	129,166	79,607	-	208,773	549,156	229,673
	Total	415,509,260	457,170,844	-	872,680,104	38,814,959	31,761,012	-	70,575,971	802,104,133	376,694,301
	Previous Year	407,327,385	10,077,351	1,895,476	415,509,260	18,473,165	20,862,802	521,008	38,814,959	376,694,301	



DSL HYDROWATT LIMITED

As at
31/03/2011
(Rs.)

As at
31/03/2010
(Rs.)

SCHEDULE '6'
PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD

(Pending capitalisation /allocation)

Pre-operative expenses brought forward from previous year	-	13,595,013
Additions during the year:		
Salary and allowances	-	4,148,916
Staff welfare expenses	-	108,704
Professional charges	-	440,834
Travelling and conveyance	-	251,764
Filing fees	-	60
- on term loans	-	13,480,868
Bank charges and commission	-	5,117
Telephone expenses	-	81,056
Transportation charges	-	18,435
Legal fees	-	75,000
Insurance charges	-	256,811
Vehicle expenses	-	526,746
Postage and courier	-	3,053
Printing and stationery	-	73,528
Membership and subscription	-	24,000
Lodging and boarding expenses	-	641,347
Repairs and maintenance	-	2,120
Repairs and maintenance (Vehicle)	-	45,642
Rates and taxes	-	18,612
Donations	-	125,500
Driver Salary	-	132,778
Advertisement expenses	-	111,184
Business promotion	-	147,383
Bonus	-	146,577
Books & Periodical	-	6,831
Director Travelling Exp.	-	368,247
General Exp	-	14,871
Insurance charges (Vehicle)	-	16,443
L/c Charges	-	375,220
Security charges	-	109,195
Stamp Duty and Franking charges	-	113,600
Stores & spares	-	11,550
Sundry Bal W/off	-	(52,319)
Miscellaneous expenses	-	11,850
Total 'A'	-	35,436,536
Less:		
Total 'B'	-	-
Total (A-B)	-	35,436,536
	-	35,436,536



DSL HYDROWATT LIMITED

	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
SCHEDULE '7'		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories (As valued and certified by the management)		
Stores and Spares		
Sarbari I	3,385,926	513,491
Sarbari II	715,000	-
Total (A)	4,100,926	513,491
Sundry Debtors (Unsecured, considered good)		
Outstanding for a period exceeding six months	-	-
Others	18,057,646	8,630,250
Total (B)	18,057,646	8,630,250
Cash and bank balances		
Cash on hand	264,090	376,252
Bank balance with scheduled banks:		
- In current accounts	8,241,723	3,904,165
- In fixed deposit accounts	3,700,000	1,105,000
Total (C)	12,205,813	5,385,417
Note : Fixed deposit includes Rs. 1,105,000 being margin money with the bank for the guarantees given by the bank on behalf of the Company.		
Other current assets		
Interest accrued but not due on fixed deposits	577,862	253,019
Total (D)	577,862	253,019
LOANS AND ADVANCES		
Loans and advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	15,684,340	653,755
Deposits	614,000	512,815
Taxes (Net of provision)	8,724,636	3,812,597
Total (E)	25,022,976	4,979,167
Total (A to E)	59,965,223	19,761,344



DSL HYDROWATT LIMITED

	As at 31/12/2010 Rs.	As at 31/03/2010 Rs.
SCHEDULE '8'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
(a) Total outstanding dues of micro and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises (Refer Note 12 of Schedule '14')	31,760,985	19,129,080
Other liabilities	839,719	100,880
Interest accrued but not due on loans	-	-
Total 'A'	<u>32,600,704</u>	<u>19,229,960</u>
PROVISIONS		
Provision for taxation	8,194,003	2,188,950
Proposed Dividend	1,134,106	-
Provision for fringe benefit tax	710,000	710,000
Provision for retirement benefits	630,686	648,278
Total 'B'	<u>10,668,795</u>	<u>3,547,228</u>
Total (A+B)	<u>43,269,499</u>	<u>22,777,188</u>
SCHEDULE '9'		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary expenses	-	9,479
Less: Written off during the year	-	9,479
	<u>-</u>	<u>-</u>

DSL HYDROWATT LIMITED

	Current Year (Rs.)	Previous Year (Rs.)
SCHEDULE '10'		
OTHER INCOME		
<u>Interest income on fixed deposits</u>		
Sarbari I	138,161	123,664
Sarbari II	285,642	-
<u>Sale of Carbon Unit</u>		
Sarbari I - Plant	1,513,613	-
Sarbari II	-	-
Excess Provision Writeback	76,597	-
	<u>2,014,013</u>	<u>123,664</u>
SCHEDULE '11'		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages and bonus	10,266,501	5,475,030
Contribution to provident and other funds	49,995	51,323
Staff welfare expenses	136,503	58,733
	<u>10,452,999</u>	<u>5,585,086</u>
SCHEDULE '12'		
MANUFACTURING AND ADMINISTRATIVE EXPENSES		
Stores and spares	-	99,177
Donation	600,000	-
Insurance charges	910,563	419,911
Lease Rent	257,041	257,041
Rates & Taxes	1,898,722	163,738
Repairs and maintenance :		
-Plant and machinery	389,021	734,683
-Others	-	40,469
Auditors' remuneration		
- Audit fees	82,725	110,300
- Audit fees (Internal)	-	143,390
CDM Registration Fees	201,843	159,282
Legal and professional charges	1,532,913	545,379
Vehicle expenses	1,197,253	839,264
Traveling and conveyance	2,081,584	311,284
Rebate paid	482,639	348,957
Bank charges	66,157	9,147
Security charges	703,735	446,244
Stamp Duty	1,300	32,500
Miscellaneous expenses	1,015,713	717,675
	<u>11,421,209</u>	<u>5,378,440</u>
SCHEDULE '13'		
INTEREST AND FINANCE CHARGES		
<u>Sarbari I</u>		
Interest:		
- On term loans	24,031,886	27,175,341
- Vehicle Loan	169,624	185,487
- On C.C. Account	1,135,151	377,201
Bank guarantee Commission	71,918	182,808
Sarbari II		
Interest on Term Loan	21,427,178	-
- On C.C. Account	49,869	-
	<u>46,885,626</u>	<u>27,920,837</u>



DSL HYDROWATT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	(Rs.)	Current Year (Rs.)	Previous Year (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax as per profit and loss account		22,529,621	7,078,163
Adjusted for :			
Depreciation	31,761,012		20,862,802
Interest and finance charges	46,885,626		27,920,837
Preliminary expenses written off	-		9,479
Dividend Paid	-		755,872
Interest income	(423,803)	78,222,835	(123,664)
		<u>100,752,456</u>	<u>49,425,326</u>
Operating profit before working capital changes			56,503,489
Adjusted for :			
Trade and other receivables		(17,844,481)	7,835,305
Inventories		(3,587,435)	4,985
Trade and other payables		13,643,566.00	9,472,087
Cash generated from operation		<u>92,964,106</u>	<u>73,815,866</u>
Direct taxes paid		(4,830,000)	(1,177,014)
Prior period expenditures written off		(272,822)	(1,098,181)
Net cash from / (used in) operating activities		<u>87,861,284</u>	<u>71,540,671</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(176,909,199)	(207,351,516)
Proceeds from sale of Fixed Assets		-	645,000
Interest received		423,803	123,664
Net cash used in investing activities		<u>(176,485,396)</u>	<u>(206,582,852)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of preference shares (net of share application money)		83,000,000	77,000,000
Proceeds from borrowings (net of repayment)		59,330,134	100,106,085
Dividend Paid including Dividend Distribution Tax		-	(1,212,287)
Interest paid		(46,885,626)	(41,401,705)
Net cash from financing activities		<u>95,444,508</u>	<u>134,492,093</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		<u>6,820,396</u>	<u>(550,088)</u>
Cash and cash equivalents - Opening balance		5,385,417	61,28,524
Cash and cash equivalents - Closing balance		<u>12,205,813</u>	<u>56,38,436</u>
		<u>6,820,396</u>	<u>(5,50,088)</u>

Notes:

- 1 Previous year's figures have been regrouped or reclassified wherever necessary to conform to the current year
- 2 Figure in brackets indicates outgo
- 3 Cash and cash equivalents comprise of :
 - Cash on hand
 - Balances with banks in current accounts
 - Balances with banks in Fixed Deposits

264,090
8,241,723
3,700,000
<u>12,205,813</u>

Significant accounting policies and notes to accounts

Schedules referred to above form an integral part of the financial statements

As per our report of even date attached

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FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No.: 101048W

Kaushl Mehta
(Kaushl Mehta)

PARTNER
Membership No.: 111749



On behalf of the Board of Directors

Shrikant Somani *Bhavin Sheth*

(Shrikant Somani) (Bhavin Sheth)
Director Director

Mumbai ; Dated : 10th May 2011

Mumbai ; Dated : 10th May 2011

SCHEDULE '14'**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****1. Significant Accounting Policies:****a) Basis of preparation of financial statements:**

The financial statements have been prepared in compliance with all material aspects of the Accounting Standards presented in the Companies (Accounting Standard) Rules, 2006 issued by the Central Government, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

The financial statements are prepared on the basis of historical cost convention, in accordance with the applicable accounting standards and on the basis of a going concern.

The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. 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 depreciation. The cost of assets comprises of purchase price and any attributed cost of bringing the assets to present working condition for its intended use i.e. cost of acquisition of assets and incidental expenditure incurred upto the date of installation/ use.



d) Inventories:-

Inventories are valued at lower of cost or net realizable value. Cost of inventories comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and condition.

e) Depreciation:

Depreciation on fixed assets is provided on straight-line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Leasehold land is amortised over the period of lease or over the project period, whichever is less. Assets costing less than Rs. 5,000 are written off in the year of purchase.

f) Pre-operative expenditure during construction period:

Expenditure incurred during construction period on Project is allocated and capitalized on completion and commissioning of the project.

g) Transaction in foreign currencies:

- i. Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.
- ii. Gains and Losses on account of foreign exchange fluctuation in respect of liabilities in foreign currencies specific to acquisition of fixed assets from outside India on or before accounting period commencing after December 7, 2006 are adjusted to the carrying cost of the respective fixed assets.
- iii. The premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life



of the contract. Exchange differences on such contracts are recognized in the profit and loss account in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period

h) Revenue recognition:

Revenue from sale of electrical energy is accounted for on the basis of billing to Himachal Pradesh State Electricity Board (HPSEB) in accordance with the provisions of Power Purchase Agreement.

Carbon Credits or Certified Emission Reductions are accounted for on the basis of Certification by an accredited agency and thereafter receipt.

i) Borrowing cost:

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use will be capitalised.

j) Impairment of assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

k) Lease:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term. The payment made by the company as lessee in accordance with operational leasing contract or rental agreement are expensed proportionately during the



lease period or the rental period respectively. Any compensation according to the agreement that lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

l) Retirement benefits:

i. Defined contribution plans

The Company contributes on a defined contribution basis to Employee's Provident Fund, towards post employment benefits, which is administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

ii. Defined benefit plans

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the profit and loss account.

iii. Employee leave entitlement

Provision for accrued leave is made on the basis of actuarial valuation at the end of each financial year.

m) Provision for taxation:

Current tax has been determined as the amount of tax payable in respect of estimated taxable income for the year and in accordance with the provisions of Income Tax Act, 1961.

The deferred tax for timing differences between the book profits and tax profits for the year are accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the



extent there is a virtual certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

n) Accounting for provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2) Contingent liabilities not provided for in respect of:

Particulars	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
Bank Guarantee issued in favour of the President of India through Assistant / Deputy Commissioner of Customs, ICD, Tuglakabad, New Delhi	-----	10,850,000
Bank Guarantee issued in favour of the Tata Power Company Limited.	200,000	200,000
The Company has given a Second Charge/Hypothecation on project assets of Sarbari-I and Sarbari-II to Bank of Maharashtra for a loan granted by the Bank to a Group Company	251,000,000	251,000,000
Total	251,200,000	262,050,000

3) Capital Commitments (net of advances):

Particulars	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
Estimated amount of contracts remaining to be executed on capital account	33,27,415	181,302,293

4) The Company commissioned its first Small Hydropower Project known as Sarbari-I with a capacity of 4.5 MW at Village Nagujharh, Taluka



Sarbari, District Kullu, Himachal Pradesh during the year 2008-09. The second phase Small Hydropower Project of the Company known as Sarbari-II with a capacity of 5.4 MW at Village Shalang, Taluka Sarbari, District Kullu, Himachal Pradesh was commissioned on 25th August, 2010. In respect of both the projects, Implementation Agreements have been entered into with the Himachal Pradesh State Electricity Board, Shimla (H.P) and the agreements have an initial validity of 40 years.

- 5) Capital work-in-progress includes equipment not yet installed, construction/ erection material, construction/ erection work, machinery at site and advances to suppliers:

Sr. No.	Particulars	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
1.	Civil works	-----	187,524,732
2.	Electro mechanical supplies	-----	38,091,604
3.	Transmission line	-----	11,492,364
4.	Advance to suppliers and consultants	-----	77,16,410
Total – Capital work-in-progress		-----	244,825,110
Add:	Pre-operative expenditures (pending capitalization /allocation)	-----	35,351,203
Total - Capital work-in-progress including pre-operative expenditures		-----	280,176,313

6) **Disclosure under (AS 15 Revised 2005):**

The Company has adopted Accounting Standard (AS) - 15 (Revised) "Employee Benefits". The Company has provided gratuity liability based on actuarial valuation done as per Projected Unit Credit Method.

- i) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

The Company has classified the various benefits provided to employees as under:



a. Defined Contribution Plans:

Defined contribution plan consists of Employers' Contribution to Provident Fund of Rs.47,495 (Rs.48,823) recognized as expense for the year.

b. Defined Benefit Plan:**Gratuity (Unfunded)**

The Company makes provision for Employees' Gratuity for qualifying employees. Gratuity is payable to all eligible employees on superannuation, death or on separation / termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The following table sets out the unfunded status of the gratuity plan and unfunded status of paid leave encashment and the amounts recognized in the Company's financial statements as at 31 March 2011.



	Gratuity (Unfunded)	Leave encashment (Unfunded)
a) Change in present value of obligation		
Present value of obligation as at 1st April, 2011	2,11,527	4,36,751
Interest cost	15,865	32,756
Service cost	149,282	1,17,739
Benefits paid	--	--
Actuarial (gain)/loss on obligation	(56,555)	(2,76,679)
Present value of obligation as at 31 March 2011	3,20,119	3,10,567
b) Change in fair value plan assets		
Fair value of plan assets as at 1 April 2010	--	--
Expected return on plan assets	--	--
Contributions	--	--
Benefits paid (estimated upto 31.03.2011)	--	--
Actuarial gain/(loss) on plan assets	--	--
Fair value of plan assets as at 31 March 2011	--	--
c) Amount recognized in the Balance Sheet		
Present value of obligation, as at 31 March 2011	3,20,119	3,10,567
Fair value of plan assets as at 31 March 2011	--	--
Assets / (Liabilities) recognized in the Balance Sheet (shown as provisions in Schedule I - Current liabilities and provisions)	3,20,119	3,10,567
d) Expense recognized during the year		
Current service cost	149,282	117,739
Interest cost	15,865	32,756
Expected return on plan assets	--	--
Net Actuarial (gain)/loss to be recognized	(56,555)	(2,76,679)
Net periodic cost	1,08,592	(1,26,184)
e) Assumptions used in accounting for		



the gratuity plan			
Mortality rate	LIC (1994-96)	LIC (1994-96)	
Discount rate	8.25%	8.25%	
Salary escalation rate	5.0%	5.0%	
Expected rate of return on plan assets	-	-	

7. Segmental information:

Considering the nature of Company's business and operations, there are no reportable Segments (Business and / or Geographical) in accordance with the requirements of Accounting Standard (AS)-17 'Segment Reporting' issued by The Institute of Chartered Accountants of India.

8. Related party disclosure:

i) Related party relationships:

Holding Company	:	Deepak Spinners Limited
Enterprises in which key management personnel or relatives of key management personnel have significant influence	:	a) Chinar Tie Up Private Limited b) Ellora Mercantile Private Limited c) India Ener-Gen Limited d) Vindhyaachal Hydro Power Limited e) Darjeeling Power Limited

Notes:

The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.

The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year.

Transactions with related parties: -

(Amount in Rs.)



Particulars	Enterprises in which key Management personnel have significant influence
Unsecured loan taken	24,000,000 (2,898,100)
Unsecured loan repaid	46,128,100 (6,820,000)
Issue of preference shares	83,000,000 (55,000,00)

(Figures in brackets are of previous year)

(ii) Balances with related parties as at 31st March 2011: -

(Amount in Rs.)

Particulars	Enterprises in which key Management personnel have significant influence
Guarantees issued to banks on behalf of the Company	594,000,000 (594,000,000)
Collaterals issued to banks on behalf of the Company	136,100,000 (136,100,000)
Unsecured loan	72,971,000 (95,099,100)



- (iii) Disclosure in respect of transactions, which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Unsecured loans taken		
Chinar Tie Up Private Limited	----	970,000
Ellora Mercantile Private Limited	----	----
India Ener-Gen Limited	----	----
Vindhyachal Hydro Power Limited	24,000,000	578,100
Darjeeling Power Limited	----	1,350,000
Unsecured loans repaid		
Ellora Mercantile Private Limited	11,250,000	----
India Ener-Gen Limited	----	4,500,000
Chinar Tie Up Private Limited	26,850,000	970,000
Darjeeling Power Limited	----	1,350,000
Vindhyachal Hydro Power Limited	8,028,100	----
Issue of preference shares		
Vindhyachal Hydro Power Limited	83,000,000	55,000,000
Guarantees and collaterals		
Vindhyachal Hydro Power Limited (Guarantees and collaterals issued to banks on behalf of DSL Hydrowatt Limited)	730,100,000	730,100,000

9. Earnings per share:

Sr. No.	Particulars	As at 31/03/2011 Rs.
(i)	Net profit after tax as per profit and loss account (Rs.)	2,41,24,912
(ii)	Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	97,920

(iii)	Basic earnings per share (Rs.)	246.37
E		
a		
(iv)	Weighted average number of equity shares outstanding during the year for diluted earnings per share (No.)	14,040,660
(v)	Diluted earnings / (loss) per share (Rs.)	1.72
(vi)	Nominal value of share (Rs.)	10

a
Earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year.

10. (a) The Company is eligible for deduction under Section 80-IA of the Income Tax Act, 1961 for a period of 10 consecutive assessment years out of 15 years commencing from the year in which the undertaking generates power. Section 80-IA provides that the amount of deduction shall be 100% of the profits and gains in case of the company carrying on activities relating to power generation, transmission and distribution.

Accordingly, provision for current tax and deferred tax has been made considering above tax benefits.

(b) Provision for current tax for the year has been made under Minimum Alternate Tax (MAT) as per provisions of Section 115JB of the Income-Tax Act, 1961.

(c) As per Accounting Standard (AS)-22 "Accounting for Taxes on Income" and Accounting Standard Interpretation (ASI) – 3 "Accounting for Taxes on income in the situations of Tax Holidays under Section 80-IA and 80-IB of the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, deferred tax assets pertaining to timing difference on account of depreciation for the year ended 31 March 2011 Rs.1,402,109 (Previous year Rs.1,402,109) has been recognized.

11. As the Company has not received any intimation from its suppliers as on date regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, no disclosure has been made.
12. (a) Balances of certain debtors, creditors and advances given are subject to confirmation / reconciliation, if any.



(b) In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

13. Accordance with Accounting Standard (AS19) on lease, disclosure in respect of lease are given below:

The Company has taken project lands on Operating lease basis lease payments in respect of such lease recognized in Profit and Loss Account is Rs. 2.57 lakhs. The lease money will be renewed after every 10 years on then prevailing latest highest market value of the land leased.

There are no restrictions such as those concerning dividend and additional Debt except for subleasing.

Obligation towards operative lease

(Rs. In Lacs)

	<u>2011</u>	<u>2010</u>
Not later than one year	2.57	2.57
Later than one year but not later than five years	10.29	10.29
Later than five years up to 40 years	82.25	84.82

14. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956:

Capacity and production
(As certified by the management)


Installed annual capacity : Sarbari-I 4.5 MW and Sarbari-II 5.4 MW

Net Saleable Energy 47,386,976 Units

15. (a) Previous year figures have been rearranged or regrouped wherever necessary and figures in brackets indicate the corresponding figures for previous year.


Signature to Schedules '1' to '14'


FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No.101048W


(Kaushal Mehta)
Partner
Membership No.111749



For and on behalf of the Board


(Shrikant Somani)
Director


(Bhavin Sheth)
Director

Place: Mumbai
Dated: 10th May, 2011

Place: Mumbai
Dated: 10th May, 2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL
BUSINESS PROFILE**

(As per GSR No. 388(E) [F No. 3/24/94-CLV] dated 15/05/1995)

Registration Details

Registration No. : CIN U 40101 HP 2001 PLC State Code:
024791 06

Balance Sheet Date : 31/03/2011

Capital raised during the year : (Rs. in Thousands)

Public Issue : Nil

(Net of allotment money in
arrears)

Rights Issue : Nil

Bonus Issue : Nil

Private Placement : 83,000

**Position of Mobilisation and
Deployment of Funds :**

Total Liabilities 820,202

Total Assets 820,202

Sources of Funds

Paid-up Capital : 188,248

Share application money Nil

Reserves & Surplus : 65,194

Secured Loans : 493,788

Unsecured Loans : 72,971

Application of Funds

Net Fixed Assets (including : 802,104
capital work-in-progress
including capital advances and
pre-operative expenditure during
construction period)

Deferred tax assets : 1,402

Investments : Nil

Net Current Assets : 16,696

Miscellaneous Expenditure : -NIL-

Performance of Company

Turnover and Other Income	:	127,063
Total Expenditure (Net of increase/decrease in stocks)	:	100,521
Profit before tax	:	30,130
Profit after tax	:	24,125
Basic earnings per share in Rs.	:	246.37
Diluted earning per share in Rs.	:	1.72
Nominal value of share (Rs.)	:	10
Dividend rate % (Equity)	:	10

**Generic Names of Three
Principal Products / Services of
the Company** : (As per monetary terms)

Item Code No. (ITC Code)	:	8502.30
Product Description	:	Hydro Power Generation


FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No.101048W

(Kaushal Mehta)
Partner
Membership No.111749

Place: Mumbai
Dated:10th May, 2011

For and on behalf of the Board


(Shrikant Somani)
Director


(Bhavin Sheth)
Director

Place: Mumbai
Dated:10th May, 2011

**HIMACHAL PRADESH STATE ELECTRICITY BOARD
OFFICE ORDER**

In supersession to this Office Order No. HPSEB/CE(P)/CC-Sarbari-II/2006-1296-1303 dated 8.09.2006, Himachal Pradesh State Electricity Board is pleased to accord the revised Techno-Economic Clearance(TEC) to Sarbari-II SHP (5.40 MW) on Sarbari khad a tributary of Beas River in Distt. Kullu Himachal Pradesh allotted to "M/s DSL Hydrowatt Limited, Empire House, 214, Dr. D.N. Road, Fort, Mumbai-400001" at an estimated cost Rs 46.00 crore (Rupees forty six crore) only including Interest During Construction(IDC), Escalation, Financial Charges(FC) and LADC @ 1.5% with the following stipulations.

1. i) The complete cost of the scheme shall not exceed the above cost except on account of the following.
 - a) Interest During Construction(IDC) and Financial Charges(FC) shall be as per actuals but not exceeding the amount as indicated at Annex-I unless revised by HPSEB while according concurrence under Section 8 of Electricity Act, 2003 after review of financial package.
 - b) Change in rates of Indian taxes/ duties such as excise duty, sales tax/VAT, custom duty and levy of any other taxes/duties subsequent to issue of Techno-Economic Clearance (TEC).
 - c) Change in Indian law resulting in change in cost.
- ii) The abstract of the Estimated Cost approved by HPSEB is furnished at Annex-I, summary of Financial Package as considered by HPSEB is at Annex-II and the Salient Features of the scheme are at Annex-III.
2. The Techno Economic Clearance(TEC) is subject to the fulfillment of the following conditions:
 - i) Estimated cost/Techno Economic Clearance(TEC) shall not be re-opened due to the following:
 - a) Non-acquisition of land.
 - b) Non-finalization of Power Purchase Agreement (PPA).
 - c) Delay in financial closure.
 - ii) The final financial arrangement shall not be inferior to the financing arrangement projected in the Detailed Project Report (DPR) for TEC.
 - iii) The completion cost of the project and tariff shall be as per approval of HPERC or CERC.
 - iv) Tariff for sale of power to HPSEB shall be fixed accordance with the agreement between the IPP and HPSEB.
 - v) The public issue expenses, if any, shall be reconsidered at the time of approval of completion cost based on documentary proof and in accordance with Security Exchange Board of India (SEBI) guidelines regarding regulation of public issue expenses.
 - vi) Fulfillment of conditions stipulated in Central Electricity Authority(CEA/Central Water Commissions(CWC) guidelines in respect of civil works at the stage of detailed designs/execution.
 - vii) Any increase in the cost estimate due to design modifications and geological surprises would be absorbed by the Independent Power Producer (IPP) i.e. "M/s DSL Hydrowatt Limited, Mumbai".
 - viii) No additional cost shall be allowed due to Resettlement & Rehabilitation (R&R) Plan.
 - ix) Normal operation life of the hydro power plant shall be as per provisions of CWC/CEA guidelines or CERC/HPERC Regulations.
 - x) The Techno Economic Clearance(TEC) is subject to clearances of Project and Transmission Line by Ministry of Environment and Forest(MOEF) from environmental and forests angle. The statutory and other Administrative clearances as per Annexure-IV shall be obtained before execution/implementation of the project.
 - xi) The interconnection point with HPSEB grid and the interconnection facilities at the interconnection point shall be provided, operated and maintained at the cost of the IPP.
 - xii) The cost of providing and/or strengthening/additions etc. of the system at and beyond the

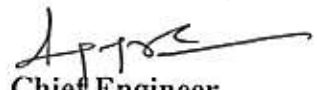

TASE

- interconnecting substation which may also include the cost of replacement of switchgear/protection and provision of shunt capacitors, strengthening of bus bars, apart from other works required at injection voltage level and other one or more successively higher voltages, civil works relocation of existing bays etc. shall be recovered by HPSEB as per the regulations of HPERC read with the clarification/decision by HPERC and/or any other competent authority as may be finally applicable. The share of IPP on this account shall be paid by the IPP to HPSEB as per the final decision of the competent authority.
- xiii) Whereas the Board shall endeavor to provide the evacuation system at the earliest, the schedule date for providing evacuation arrangements shall be spelt out in the PPAs on case to case basis inter-alia, keeping in view the time lines indicated in the relevant plan by HPSEB and approved by HPERC
 - xiv) The powerhouse generating equipment as well as other electrical equipment to be provided by the developer shall be compatible for parallel operation with the HPSEB Grid after interfacing. IPP shall be responsible for any loss of generation on this account.
 - xv) O&M charges for maintenance of interconnection facilities at the interconnection substation of HPSEB shall be payable by the IPP to HPSEB throughout the period, the IPP runs the Project and the same shall be reviewed at the start of every financial year.
 - xvi) The Project line shall be provided, operated and maintained by the IPP at his cost as per normal conditions after obtaining approval from H.P. Govt. under section 68(1) of Electricity Act, 2003.
 - xvii) The IPP shall interface his project at 33/11kV Sub-Station at Kullu with joint mode of Sarbari-I SHP. M/S DSL has already constructed the transmission line from Sarbari-I SHP switchyard to 33/11kV Sub-Station at Kullu and power will be evacuated on this line.
 - xviii) The above mentioned evacuation arrangement shall be subject to the HPERC approval of "Comprehensive area wise plan for augmenting and establishing the transmissions/sub-transmission system for evacuation of power from small HEPs" which has already been submitted to HPERC. The Transmission/Distribution Licensee may however also evolve alternate system(s) depending on the site conditions and subsequent developments, with the approval of HPERC.
 - xix) The IPP shall develop operate and maintain the Project including the dedicated transmission system subject to compliance with the following :
 - a) Grid code and standards of grid connectivity.
 - b) Technical as well as mechanical standards for construction of Electrical lines.
 - c) Norms of system operation of the concerned State Load Dispatch center (SLDC) or Regional Load Dispatch Center (RLDC).
 - d) Direction of the concerned SLDC or RLDC regarding operation of dedicated transmission line.
 - xx) The conditions on these lines shall also have to be suitably included by the developer in PPA etc. apart from other standard conditions.
 - xxi) 15% release of water immediately down stream of diversion structures shall be ensured all the times including lean season from November to March as per the power policy of H.P. Govt., 2006 and subsequent amendments thereof.
 - xxii) LADC/LADF amount and activities shall be implemented as per power policy of H.P. Govt., 2006 and subsequent amendments thereof.
 - xxiii) The additional 1% (one percent) free power from the project shall be provided and earmarked for Local Area Development Fund(LADF) as per HP Govt. Notification No. MPP-F(1)-2/2005-V dated 30.11.2009.
 - xxiv) The IPP shall carry out the Geological explorations before taking up project construction and submit the report to HPSEB/H.P. Govt.
 - xxv) The TEC is based on the reports and data furnished in the DPR and it is presumed that information furnished is correct and has been collected reliably after carrying out detailed field investigations and surveys under the supervision of the competent personnel. The scrutiny does

not cover the examination of the detailed design & working drawings of project components in regard to the structural, hydraulic and mechanical performance & safety which shall be ensured by the implementing Agency/Project Authority.

- xxvi) The observations of HPSEB and replies thereof shall form an integral part of the DPR.
- 3 The project shall be completed within 24 months after award of civil works/tenders or 36 months after the accord of TEC whichever is earlier.
 - 4 The completion cost of the scheme shall be submitted to HPSEB for approval as soon as possible after the Commercial Operation Date(COD) of the plant but not later than three (3) months from the COD of the plant.
 - 5 The project promoters/project authorities would give free accessibility to the H.P. Govt./HPSEB officers and staff to have on the spot assessment of various aspects of the project.
 - 6 The firm financial package and tie-up of balance inputs/clearance shall be completed within six months from the date of issue of TEC.
 - 7 Monthly Progress Report of the project shall be submitted to Monitoring Cell of HP Govt./HPSEB. Three(3) copies of the semi-annual physical progress report of the scheme and expenditure actually incurred, duly certified by statutory auditors shall be submitted to HP Govt./HPSEB till commercial Operation of the plant.
 - 8 In case the time gap between the concurrence of the scheme and actual start of work by the Company is three years or more a fresh concurrence of H.P. Govt./HPSEB shall be obtained before start of work.
 - 9 The HP Govt./HPSEB reserve the right to revoke the concurrence if the conditions stipulated above are not complied with to the satisfaction of the H P Govt./HPSEB.


BY ORDER OF THE BOARD



Chief Engineer,
(Projects cum Arbitrator)
HPSEB, Shimla-171004.

No. HPSEB/CE (PCA)/CC- Sarbari-II/2010- 989-1000 Dated:- 19-5-2010

Copy for information and necessary action to the:

1. Principal Secretary (MPP & Power) to H.P. Govt., Shimla-171002.
2. Principal Secretary (NES) to H.P. Govt. Shimla-171002.
3. Secretary, Ministry of Non-Conventional Energy Sources (MNES). Block No.14, CGO Complex, Lodhi Road, New Delhi-110003.
4. Director, Environmental & Scientific Technologies, Narayan Villa, Near Wood Villa, Palace, Shimla-171002.
5. Chief Engineer (Commercial), HPSEB, Vidyut Bhawan, Shimla-171004.
6. Chief Engineer (SP), HPSEB, Vidyut Bhawan, Shimla-171004.
7. Chief Engineer (Energy), Borowalia House, Khalini, Shimla-171002..
8. Chief Engineer (P&M), HPSEB, Vidyut Bhawan, Shimla-171004.
9. General Manager, HPPTCL., Borowalia House, Khalini, Shimla-171002.
10. Addl.Secretary-cum-PS/Spl.PSs/Sr.PSs./PSs to Special Officer/Member(P) for kind information of Worthy Special Officer/ Member(P).
11. ✓ M/s DSL Hydrowatt Limited, Empire House, 214, Dr. D.N. Road, Fort, Mumbai-400001.


Chief Engineer,
(Projects cum Arbitrator)
HPSEB, Shimla-171004.

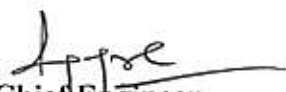


Sarbari-II SHP(2x2.70 MW) in Distt Kullu, Himachal Pradesh of "M/S DSL Hydrowatt Ltd, Empire House, 214, Dr. D.N. Road, Fort, Mumbai-400001".

ABSTRACT OF COST ESTIMATE

Sr. No.	Description of works	Amount (Rs in lac)	
(a)			
1.	Civil works i/c other Misc. Expenses	3019.79	} Price Level March, 2009
2.	Electro Mechanical works	906.27	
3.	Transmission works	150.00	
	Sub Total (a)	4076.06	
(b)			
1.	Escalation	113.24	
2.	Interest During Construction(IDC)	319.50	
3.	Financial Charges (FC)	22.54	
	Sub Total (b)	455.28	
	Total (a+b)	4531.34	
(c)	LADC @ 1.5% of (a+b)	67.97	
	Grand Total (a+b+c)	4599.31	
		Say Rs. 46.00 crore	

(Rupees fourty six crore only)


 Chief Engineer,
 (Projects cum Arbitrator)
 HPSEB, Shimla-171004.

Sarbari-II SHP(2x2.70 MW) in Distt Kullu, Himachal Pradesh of "M/S DSL Hydrowatt Ltd, Empire House, 214, Dr. D.N. Road, Fort, Mumbai-400001".


1. Tentative Financial Package

Debt : Equity = 70 : 30

Sr. No.	Description	Amount (Rs. in crore)
A	Equity by Promoter.	13.80
B	Debt. from Indian Financial Institutions	32.20
	Total (Debit + Equity)	46.00

II Terms of Loan

Sr. No	Item	Package
1.	Source of Debt.	Financial Institutions
2.	Loan Amount. (Rs. in crore)	32.20
3.	Interest rate	11.50%
4.	Repayment period	9 Yrs.
5.	Moratorium Period	3 years


 Chief Engineer,
 (Projects cum Arbitrator)
 HPSEB, Shimla-171004.

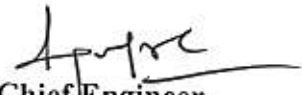
Sarbari-II SHP(2x2.70 MW) in Distt-Kullu, Himachal Pradesh of "M/S DSL Hydrowatt Ltd, Empire House, 214, Dr. D.N. Road, Fort, Mumbai-400001".

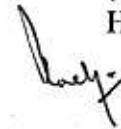
SALIENT FEATURES

A.		LOCATION	
	a.	State	: Himachal Pradesh
	b.	District	: Kullu
	c.	Taluka	: Kullu
	d.	Vicinity	: Village Shalang
	e.	Access : Road	: Shimla-Kullu Road.
		: Air port	: 207 km from Shimla
		: Railway station	Bhuntar, 30 km. Jogindar Nagar
	f.	Topographical sheet	53 E/1, 52 H/4
	g.	Geographical coordinates	
		* Longitude	: 77 ⁰ -02'-05" to 77 ⁰ -03'-32" East.
		* Latitude	: 31 ⁰ -59'-05" to 31 ⁰ -58'-02" North
B		RIVER	
	a.	Project type	: Run of the river/ cascade development
	b.	Source of Water/ stream	: Sarbari Khad
	c.	Tributary	: Beas river
C.		HYDROLOGY	
	a.	Total Catchment of Sarbari stream	: 175.00 Sq. km
	b.	Catchment area above diversion weir	: 86.00 Sq. Km.
	c.	Design Discharge (75% dep. year)	:
	i)	50% Dependability	: 2.41 Cumecs
	ii)	75% Dependability	: 1.53 Cumecs
	iii)	90% Dependability	: 1.13 Cumecs
	d.	Recommended Design Discharge	: 3.65 Cumecs
D		PROJECT COMPONENTS	
	I	DIVERSION STRUCTURE	
	a.	Type of structure	: Aqueduct (Cascading development)
	b.	F.S.L.	: 1624.00 m
	II	INTAKE STRUCTURE	
	a.	Type	: R.C.C structure
	b.	Shape	: Rectangular
	c.	Size	: 21.00 m x 8.50 m x 5.50 m
	III	WATER CONDUCTOR SYSTEM	
	i)	From Tail Race Channel of Sarbari I to Intake tank (RD 00 to 55.00 m)	
	a.	Shape & Size	: Circular, 1.60m dia
	b.	Length	: 58.42 m

c.	Dia of steel conduit	:	1.60 m
d.	Thickness of conduit	:	6 mm
e.	Design Discharge	:	3.65 Cumecs
f.	Velocity of flow	:	1.82 m/Sec
IV	Head race tunnel from Intake to Forebay (RD 55.00 m to 3514.60 m)		
a.	Length	:	3514.60 m
b.	Dia of tunnel	:	1.80m
c.	Shape	:	D Shaped pressurized flow tunnel
d.	Thickness/Material of lining	:	6 m thick, steel liner
e.	Design Discharge	:	3.65 Cumecs
f.	Bed slope	:	1 in 550
	Adit-I at RD	:	274.50m
a.	Length	:	45.41 m
b.	Diameter	:	1.70 m
c.	Shape	:	D Shaped free flow
	Adit-II at RD	:	987.34 m
a.	Length	:	63.00 m
b.	Diameter	:	1.70 m
c.	Shape	:	D Shaped free flow
	Adit-III at RD	:	1594.63m
a.	Length	:	35.00m
b.	Diameter	:	1.70m
c.	Shape	:	d-shaped
	Adit-IV at RD	:	2385.66m
a.	Length	:	37.65m
b.	Diameter	:	1.70m
c.	Shape	:	D-shaped
V	PENSTOCK		
a.	Number	:	One No.
b.	Diameter of the primary penstock	:	1250.00 mm
c.	Plate thickness	:	10.00 mm to 18.00 mm
d.	Diameter of penstock at bifurcation	:	1000.00 mm
e.	Plate thickness at bifurcation	:	12.00 mm
f.	Length of Penstock	:	365 mm.
g.	Length of Bifurcation at lower end	:	10 m of each penstock liner
h.	Size of MIV	:	800 mm Diameter
VI	POWER HOUSE		
a.	Type	:	Surfaced Power House
b.	Size	:	32.4 m X 15.30 m
c.	Maximum Rated head	:	191.40 m
d.	Designed net head	:	188.36 m
e.	Turbine		
i)	Type	:	Horizontal axis Pelton Turbine.
ii)	Turbine Rated Output	:	2845 kW each
iii)	Rated Discharge	:	1.825 Cumecs

	iv)	Normal Speed	:	1000 RPM
	v)	Runaway Speed	:	1500 RPM
	f.	Generator		
	i)	Type	:	Horizontal axis synchronous
	ii)	Power factor	:	0.9 lag
	iii)	Rated Out put	:	2700 kW
	iv)	Rated Voltage	:	3.3 KV
	v)	Normal Speed	:	1000 RPM
	vi)	Rated Frequency	:	50 Hz
	vii)	Excitation System	:	Brushless Synchronous
	g.	Power House Crane	:	25 Tonne
	h.	Regulation System	:	AVR
	VII	TAIL RACE		
	a.	Shape	:	Rectangular RCC Channel
	b.	Length	:	25.00 m

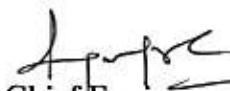

 Chief Engineer,
 (Projects cum Arbitrator)
 HPSEB, Shimla-171004.



Sarbari-II SHP(2x2.70 MW) in Distt Kullu, Himachal Pradesh of "M/S DSL Hydrowatt Ltd, Empire House, 214, Dr. D.N. Road, Fort, Mumbai-400001".

LIST OF STATUTORY AND ADMINISTRATIVE CLEARANCES REQUIRED

Sr. No.	ITEM	AGENCY	REMARKS
1.	WATER AVAILABILITY	1. State Govt. 2. CWC	Interaction between State Govt. Deptt. & CWC required . Relevant Irrigation Act of the State & Central Water Commission.
2.	SEB CLEARANCE	1. SEB 2. State Govt.	Section 44, E (S) Act, 1948 repealed by Electricity Act, 2003.
3.	POLLUTION CLEARANCE WATER AND AIR	State/ Central Pollution Control Board	Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981.
4.	FOREST CLEARANCE	1. State Govt. 2. Min. & E&F GOI	Coordination with State Forest Deptt./ Min. of Environ. & Forest (MOE&F) regarding Forest (Conservation) Act, 1980.
5.	ENVIRONMENT	1. State Govt. 2. Min. of E&F GOI	As per item (3) & (4) & Govt. Policy in force.
6.	REGISTRATION	Registrar of Companies	Under Indian Companies Act, 1950.
7.	REHABILITATION & RESETTLEMENT OF DISPLACED FAMILIES BY LAND ACQUISITION	1. State Govt . 2. Min. of E&F GOI	
8.	EQUIPMENT PROCUREMENT	DGTD, CCI&E	Import & Export Acts.


 Chief Engineer,
 (Projects cum Arbitrator)
 HPSEB, Shimla-171004.

INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT

[Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-3, ITR-4, ITR-4S (SUGAM), ITR-5, ITR-6 transmitted electronically with digital signature]

Assessment Year

2011-12

PERSONAL INFORMATION AND THE DATE OF ELECTRONIC TRANSMISSION	Name			PAN		
	DSL HYDROWATT LIMITED			AABCD8408R		
	Flat/Door/Block No	Name Of Premises/Building/Village		Form No. which has been electronically transmitted	ITR-6	
	214	EMPIRE HOUSE, 3RD FLOOR				
	Road/Street/Post Office	Area/Locality		Status (fill the code)	PUB COMPAN	
	DR. D.N. ROAD	FORT				
	Town/City/District	State	Pin			
	MUMBAI	MAHARASHTRA	400001			
	Designation of AO(Ward/Circle)	ITO WD 6(1)/WBG/W/106/01		Original or Revised	Revised	
	E-filing Acknowledgement Number	301162181300911		Date(DD/MM/YYYY)	30-09-2011	
COMPUTATION OF INCOME AND TAX THEREON	1	Gross total income	1	34280591		
	2	Deductions under Chapter-VI-A	2	34280591		
	3	Total Income	3	0		
	3a	Current Year loss, if any	3a	0		
	4	Net tax payable	4	6005053		
	5	Interest payable	5	99909		
	6	Total tax and interest payable	6	6104962		
	7	Taxes Paid	a Advance Tax	7a	4830000	
			b TDS	7b	34394	
			c TCS	7c	0	
d Self Assessment Tax			7e	1240600		
e Total Taxes Paid (7a+7b+7c +7d)			7e	6104994		
8	Tax Payable (6-7d)	8	0			
9	Refund (7e-6)	9	32			

This return has been digitally signed by SHREEKANT SOMANI
in the capacity of DIRECTOR having PAN AABPS9281Q from

IP Address 122.169.67.114 on 30-09-2011 at MUMBAI
Dsc SI no 1184379259CN=(n)Code Solutions, OU=(n)Code Solutions Certifying
& issuer Authority, O=India PKI, C=IN



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81222E8B6F4



BANK OF MAHARASHTRA

628/629, Sachapur Street,
CAMP BRANCH, PUNE – 411 001
 E Mail : bom76@mahabank.co.in
 Tel: 2613 0416, 26130582 Tele fax : 26137250

AQ1/ADV/DSL SB-II/2007-08

Date: 30th May 2007

Managing Director,
 DSL Hydrowatt Limited,
 Empire House,
 214, Dr. D.N.Road,
 Fort, Mumbai-400 001.

Dear Sir,

Re: Your application for project loan for Sarbari-II project- Sanction thereof.

With reference to the captioned proposal, we are pleased to convey the sanction for various credit facilities for Sarbari-II project on the terms and conditions mentioned below.

Fund Based:

1.Cash Credit Limit:- Rs. 0.90 crore (Rs. Ninety Lakhs Only)
 (To be disbursed after completion of project)

Purpose : Working Capital
 Security : Hypothecation of Stocks of Consumables & Book Debts.
 Margin : 30 % in bank's favour
 Interest : @ BPLR - 2.25% i.e. 11 %p.a. at present with monthly rests
 Review : Within one year

2. Term Loan: Rs. 25.00 crore (Rs. Twenty five crores only)

Purpose : To purchase, develop & take Land on Lease from Govt./Private parties and erection/development of site and for purchase of machinery and laying Power line required for 5MW Hydro Power Project at Sarbari Phase II Project in Himachal Pradesh.
 Security : Hyp of movable fixed assets / machinery and mortgage of project land
 Margin : 30% in Bank,s favour



Interest : @ BPLR - 2.25% i.e. 11 % p.a. at present with monthly rests

Repayment : Ballooning repayment to start from 1.4.2009 within 7 year in the following manner.

(Rs. In Lakhs)

No.of years	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7
Principal	100.00	730.00	325.00	325.00	325.00	325.00	370.00

Interest during repayment period to be paid as and when applied in addition to Installments. The proposed repayment Yr-2 of Rs 730.00 lakhs is linked to receipt of MNES subsidy Rs 636.38 lakhs recoverable in II year.

Non-Fund Based:

3 Letter of Credit (Inland / Import)/ Bank Guarantee: Rs. 10.00 crore being sub limit of term Loan of Rs. 25.00 crore at item No 2 above

Purpose : For purchase of machinery etc.

Commission : As per FEDAI rules for import LC and as per bank's rate for Inland LC

Margin : 30%

Security : Goods covered under L Cs

Usance : 90 days for Inland L Cs and up to 180 days for Import LC

4. Letter of Credit/Bank Guarantee Limit Rs. 3.00 crore (Rs. Three crore only)

Bank Guarantee:

Purpose : Performance guarantees to HPSEB/State Govt. or any other Governmental agency.

Security : Additional charge on all the asset of the company.

Commission : 2% p.a.

Margin : 10% in the form of Deposits

Letter of Credit (Inland/ Import LC)

Purpose : Procurement of material/Spare parts etc.

Commission : As per C.O. guidelines

Margin : 30% in the form of Deposits

Usance : 90 days for Inland LCs and 180 days for Import LC



- All the above facilities are to be collaterally secured by Second Charge on the properties of M/S Vindhyachal Hydro Power Pvt Limited, already charged to us.
- Mr. Shrikant Somani will provide personal guarantee for all the above limits. Personal Information form of Shri Shrikant Somani to be submitted along with the necessary supporting papers.
- The new facilities shall be disbursed only after completion of Mortgage formalities in respect of Sarbari I HPP & after execution of Implementation agreement between the Company & HPSEB in respect of Sarbari II project.

Other Terms and conditions:-

1. The company should furnish Stock and Book debts statements every month before 10th day of succeeding month to allow DP.
2. All the assets charged to the Bank should be insured for full value with Bank clause.
3. Our charge should be registered with ROC.
4. For disbursement of Term Loan the company should ensure required margin at every point of disbursement.
5. Before disbursement of credit facilities the company should furnish the entire requisite permissions from respective depts./authorities of the Govt. for erection/development/ construction of the Project site at Sarbari (Dist. Kullu State Himachal Pradesh).
6. Processing fees to be paid upfront (1 % of total fund/non-fund facilities i.e. Rs. 28.90 lakhs)
7. The quotations/estimates of the fixed assets to be purchased are required to be submitted to our higher authorities through us before the disbursement of the Term Loan.
8. The lease/purchase agreements for the land are required to be submitted to our higher authorities through us.
9. Financial statement duly audited with all annexure be submitted to us every year to review the limits during the currency of the advance.
10. A visit of the Bank Officials be arranged to the site before availing the credit facilities.
11. CC facility will be released only after commercial production of the project starts.
- 12 Funding of the escalation cost of the Project to be arranged by the company. An Undertaking to that effect be furnished before availing the credit facilities.



13. The import LC facility will be availed through our Overseas branch, Mumbai or at Pune.

14. Documentation charges of Rs. 1000/- to be paid upfront. Inspection/supervision charges of Rs. 2500/- per year will be recoverable from you.

15 All present & future stamp duties, cost of Valuation, legal expenses, Insurance, Service Charges, stock audit expenses etc. to be borne by the company.

16. The company to submit following declarations/undertaking before availing the Credit Facilities sanctioned.

- a) Relationship if any, of the Directors of the borrowing entity to any of the director/s/Senior officials of the Bank. If no relationship exists, specific declaration to that effect shall be made.
- b) An undertaking from guarantors stating that no consideration is proposed/received from the borrower/borrowing entity for offering personal guarantees to the credit facilities.
- c) An undertaking from the borrower/borrowing entity stating that they have no objection for disclosure of the names of the directors of the borrowing entity to RBI/CIBIL as per requirements.
- d) An undertaking from the borrower/borrowing entity stating that they will not utilize the credit facilities in stock market.

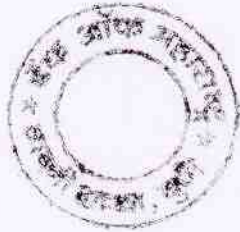
17. This sanction is valid for six months from date of this letter.

We are issuing this sanction letter in duplicate with request to acknowledge on the duplicate copy for having accepted the terms and conditions as mentioned above.

Yours faithfully,



Chief Manager.
Camp branch..



We accept the terms & conditions as mentioned above, subject to our letter No. DSCHL/2007/799 dated June 12, 2007.

(M. N. RAMACHANDRA)



**BANK OF MAHARASHTRA**

628/629, Sachapir Street,

CAMP BRANCH, PUNE – 411 001

E Mail : bom76@mahabank.co.in

Tel: 2613 0416, 26130582 Tele fax : 26137250

AQ1/ADV/DSLSD-II/2009-10

Date: 7.05.2009

Managing Director,
DSL Hydrowatt Limited,
Empire House,
214, Dr. D.N.Road,
Fort, Mumbai-400 001.

Dear Sir,

Sub: Your Proposal for Additional Loan of Rs. 5.50 crore for Phase II of the Power project and continuation /review/renewal of existing W.C. limits/term loans.

We refer to the captioned proposal submitted by you for additional Loan of Rs. 5.50 crore for Phase II of the Power project and continuation /review/renewal of existing W.C. limits/term loans. The sanction is accorded is as follows:

I Term Loan (New) : Rs. 5.50 Crores (Five crores Fifty lakhs only)

Purpose : To meet additional Funding requirement due to enhanced capacity of Sarbari Project phase II by Rs. 6.84 crore.

Security : Hyp. of movable fixed assets and Machinery

Margin : 20% in Bank's favour on enhanced cost of the project.

Rate of Interest : BPLR - 1% i.e. 11.50% p.a. at present with monthly rests

Repayment : Repayment to start from 1.1.2011 within 7 year in the following manner.

No.of years	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7
Principal	0.50	0.50	0.90	0.90	0.90	0.90	0.90

(Rs. In Crores)

Interest to be paid separately as and when applied.

Processing fee : To be recovered upfront as per normal rates.

II Continuation of the existing term loans for the Sarbari Project phase I & II as follows:

Rupees in Crore)

	Facility		Bal o/s.	ROI applicable
1	Term Loan Sarbari Phase I (26.60)		25.33	BPLR-1 (11.50)
2	Term Loan Sarbari Phase II (25.00)		5.38	BPLR-1 (11.50)

- The existing term loans under S.No. 1 to be continued for the O/s. balance on the terms and conditions as applicable per the original sanction terms.
- The existing term loan under S.No. 2 where part of the loan is still to be availed also to be continued on the terms and conditions as applicable per the sanction given for the loan. The disbursement upto Rs. 10.00 crore is permitted pending compliance of terms of sanction. Future disbursement to be permitted after total compliance of the terms of the sanction.
- ROI applicable will be as mentioned above with monthly rests.



The following existing facilities for the Sarabari Phase I & II to be continued on the respective terms and conditions of the sanction:

III Sarbari Project Phase I

1. CC Limit : Rs.0.90 crore(Rs. Ninety lacs only)
2. LC/BG : Rs. 3.00 crore(Rs. Three crore only)

IV Sarbari Project Phase II

1. I. CC Limit : Rs.0.90 crore(Rs. Ninety lacs only)
2. LC/BG : Rs. 3.00 crore(Rs. Three crore only)
- 3 LC(Sub limit) : Rs.10.00 crore(Rs. Ten crore only)(As sub limit of Term Loan for procurement of equipment /Machinery under term loan.
(Opening of LC of Rs. 5.00 crore permitted pending compliance of terms of sanction)

Other terms and conditions:

1. The company to submit Detail Project Report for the Phase II project in view of the enhanced capacity of 5.4 MW to the Himachal Pradesh State Electricity Board for obtaining revised techno-economic clearance from the Electricity Board.
2. The revised techno-economic clearance from the State Electricity Board to be submitted before availing future disbursement in the existing term loan and the additional term loan for Phase II .
- 3 Branch to confirm signing of the Revised Implementation Agreement and keep copy of same on record.
4. NOC from State Electricity Board/SLDC for undertaking Third party sale of Power in terms of the PPA with Tata Power Trading Company Ltd. to be obtained
5. All the above facilities to be collaterally secured by second charge on the fixed assets of M/s. Vindhyachal Hydro Power Pvt. Ltd,
6. Mr. Shrikant Somani to provide personal guarantee for all the above limits.
7. Review of the account to be done on annual basis.
8. Corporate Guarantee of Vindhyachal Hydro Power Ltd. to be obtained for the new loan also.
9. Branch Officials to undertake visit to the sites immediately.

Other Standard terms and conditions as per Annexure 1

Please arrange to comply all the terms and conditions of this sanction before disbursement. Meanwhile please acknowledge and submit your acceptance on duplicate copy of this sanction letter.

Yours faithfully



Chief Manager
Camp branch, Pune.



Encl: Annexure-1

DSL HYDROWATT LIMITED

Corporate Office : Empire house, 214, Dr. D.N. Road. Front MUMBAI- 400 001

Tel : 022- 66344678-79, Fax : 022- 66344676

Kullu Office : SARBARI-I MHEP POWER HOUSE, Village & P.O. - Dogri

Tehsil & District -Kullu (H.P.) - 175101, Tel :- 9418360171

Ref: DSLHL/2008/1037

5th December 2008

M/s. Saiurja Hydel Projects Pvt. Ltd.
Sai Bhawan, Sector - 4,
Phase - II, New Shimla,
Himachal Pradesh 171 009

Kind attn : Mr. Munish Sharma

Dear Sir,

Subject: Order for Civil works related to Sarbari - II small hydro project at Kullu.

This has reference to the detailed discussions we had with you on the above subject and based on your performance at Sarbari - I SHP, we are pleased to place our order on you for the entire Civil work related to our Sarbari - II SHP, near Village Shalang in Kullu District of Himachal Pradesh.

The broad scope of work shall be as follows:

A) SCOPE

- a) By pass system across Sarbari - I power house and provision of off take (simple RCC structure) from Sarbari Khad.
- b) Remodelling and augmentation of Sarbari I tail race with intake structure of Sarbari II.
- c) Water conductor system from Sarbari II intake structure, including cross over of water conductor system adjacent to the bridge near Sarbari I power house.
- d) Steel lined tunnel 1.60 m internal diameter, 6 mm thick (pressurized tunnel) - 3.5 km approx, capable of carrying discharge of 4.2 cumecs. The necessary expansion joints and anchor blocks, wherever required, shall be provided.
- e) Surge shaft of suitable capacity and design similar to Sarbari I.
- f) Penstock protection valve chamber of similar size and design of Sarbari I. Transportation of PPV to the site from power house is in scope of SAIURJA.
- g) Penstock civil works of required length of internal diameter 1.25 m of varying thickness as per design (excavation, anchor blocks, saddle blocks, etc.)
- h) Power house, switch yard and tail race civil works.

- HYDROWATT LIMITED
Road, FORT MUMBAI - 400 001
- i) Asphalted approach road with cross over bridge of Dadka Nallah. The road will be built on right bank of Sarbari Khad. A road over bridge on Sarbari khad and thereafter proceed to power house.

B) PRICE

- i) You shall be paid a lumpsum price of Rs. 18.45 crores (Rupees Eighteen Crores Forty Five lacs Only) for this work, inclusive of all applicable taxes and duties from time to time without any escalation whatsoever. However, service tax shall be borne by us at actuals.
- ii) In addition, you shall be permitted to draw power from Sarbari – I power system to the extent of 2.6 million units maximum. In case, you are unable to get statutory clearances to draw this power, you shall be reimbursed to the extent of Rs. 65 lacs during the construction period of 18 months in equal monthly installments.
- iii) 5% shall be retained as contract performance guarantee and the same shall be released 12 months after the date of completion of civil work.

C) OTHER TERMS & CONDITIONS

Steel plates required for penstock and tunnel lining shall be supplied by us. The completion date for the work is 30th June 2010.

- a) Bonus : Bonus will be paid at the rate of Rs. 18.45 lacs per month for early completion of the project.
- b) Penalty : Penalty will be levied at the rate of Rs. 18.45 lacs per month for delay in completion of the project.
- c) The completion date will be extended in case of force majeure condition based on mutual discussion.
- D) Saiurja will make necessary arrangements to draw power from DSLHL power system, after getting the scheme cleared by all statutory agencies as well as DSLHL.
- E) Saiurja will make its own necessary arrangements to meet its water requirements at all the construction sites, labour camps etc.
- F) Necessary expansion joints required at penstock and in the tunnel shall be procured by Saiurja and no plates for fabrication for the same shall be supplied by DSLHL.

11/11/11

[Signature]

- G) It is the responsibility of Saiurja to rent/purchase land required for installing ropeways, stacking construction material and machines, labour camps etc.
- H) Saiurja shall construct necessary crate work at the dumping site to ensure that excess material excavated from tunnel is properly stacked at dumping area and stacked material does not get scattered/falls in the Sarbari river.
- I) The bills shall be raised every month for milestone activity completed during the month as per the payment schedule and milestone activities shown in enclosed **Annexure I**. No prorata payment shall be entertained.
- J) The bills shall be raised by 5th of every month and payment shall be made within 7 working days from the date of approval/certification of the bill.
- K) Saiurja shall comply with all the statutory laws such as labour laws, provident fund laws, ESIC laws etc and obtain applicable licenses/permits etc. Saiurja indemnifies DSLHL against any claims arising out of violation of any statutory rules, labour laws, claims from labours engaged and/or any third party risk/damages that may arise due to actions of Saiurja, while discharging its duties as contractor to DSLHL.
- L) Saiurja shall submit construction schedule for entire work and adhere to the same without slippages.
- M) Saiurja shall open a Bank account with Axis Bank Ltd, Shimla, and intimate account to facilitate smooth payment by DSLHL.

Kindly sign the duplicate of this letter as a token of your acceptance.

Thanking you,

Yours truly,
For **DSL Hydrowatt Limited**



Rohit Sharma
Sr. Manager - Civil



Encls: as above.

Sarbari - II SHP Payment Schedule

TOTAL CONTRACT PRICE

1845 LAKHS

Br. No.	Description of Items	Price break-up	Amount	Payment break-up	Amount
		%	in lacs	%	in lacs
1	On Mobilisation	4.88	90.00	100.00	90.00
2	land and water arrangement	1.36	25.00	100.00	25.00
3	Cross Over from RHS to LHS at Sarbari - 1	2.71	50.00		
a	Excavation			10.00	5.00
b	RCC work			30.00	15.00
c	Procurement & Fabrication of Ferrules			25.00	12.50
d	Installation			30.00	15.00
e	Covering and Protection			5.00	2.50
	Total, Crossover			100.00	50.00
4	WATER CONDUCTOR SYSTEM (3500m)				
	Ferrule Fabrication	5.00	92.25		
i	For creation of fabrication facilities			50.00	46.13
ii	Fabrication of ferrules 5%			2.50	2.31
iii	Fabrication of ferrules 10%			2.50	2.31
iv	Fabrication of ferrules 15%			2.50	2.31
v	Fabrication of ferrules 20%			2.50	2.31
vi	Fabrication of ferrules 25%			2.50	2.31
vii	Fabrication of ferrules 30%			2.50	2.31
viii	Fabrication of ferrules 35%			2.50	2.31
ix	Fabrication of ferrules 40%			2.50	2.31
x	Fabrication of ferrules 45%			2.50	2.31
xi	Fabrication of ferrules 50%			2.50	2.31
xii	Fabrication of ferrules 55%			2.50	2.31
xiii	Fabrication of ferrules 60%			2.50	2.31
xiv	Fabrication of ferrules 65%			2.50	2.31
xv	Fabrication of ferrules 70%			2.50	2.31
xvi	Fabrication of ferrules 75%			2.50	2.31
xvii	Fabrication of ferrules 80%			2.50	2.31
xviii	Fabrication of ferrules 85%			2.50	2.31
xix	Fabrication of ferrules 90%			2.50	2.31
xx	Fabrication of ferrules 95%			2.50	2.31
xxi	Fabrication of ferrules 100%			2.50	2.31
	HRT - 1 + Adit - 1 (261.24m)	5.37	99.08	100.00	92.25
a	Excavation for face opening			15.00	14.86
b	Adit Excavation - 1(42meters)			8.00	7.93
c	Protection works			5.00	4.95
d	Tunnel Excavation/mucking				
i	Milestone - 1(40meters)			9.00	8.92
ii	Milestone - 2(40meters)			9.00	8.92
iii	Milestone - 3(40meters)			9.00	8.92
iv	Milestone - 4(40meters)			9.00	8.92
v	Milestone - 5(40meters)			8.00	7.93
vi	Milestone - 6(Balance)			4.00	3.96
e	Tunnel lining				
	Expansion Joints			2.00	1.98
i	Milestone - 1(40meters)			4.00	3.96
ii	Milestone - 2(40meters)			4.00	3.96
iii	Milestone - 3(40meters)			4.00	3.96
iv	Milestone - 4(40meters)			4.00	3.96
v	Milestone - 5(40meters)			4.00	3.96
vi	Milestone - 6(Balance)			2.00	1.98
	Total, HRT 1			100.00	99.08

(Signature)

Director
Sauraja Hydel Projects Pvt. Ltd.

Sarbari - II SHP Payment Schedule

TOTAL CONTRACT PRICE

1845 LAKHS

Sr. No.	Description of Items	Price break-up	Amount	Payment break-up	Amount
		%	in lacs	%	in lacs
	ix Milestone - 9(40meters)			4.00	7.38
	x Milestone - 10(40meters)			4.00	7.38
	xi Milestone - 11(40meters)			4.00	7.38
	xii Milestone - 12(40meters)			4.00	7.38
	xiii Milestone - 13(40meters)			4.00	7.38
	xiv Milestone - 14(40meters)			4.00	7.38
	xv Milestone - 15(40meters)			4.00	7.38
e	Tunnel lining				
	Expansion Joint			1.50	2.77
	i Milestone - 1(40meters)			1.50	2.77
	ii Milestone - 2(40meters)			1.50	2.77
	iii Milestone - 3(40meters)			1.50	2.77
	iv Milestone - 4(40meters)			1.50	2.77
	v Milestone - 5(40meters)			1.50	2.77
	vi Milestone - 6(40meters)			1.50	2.77
	vii Milestone - 7(40meters)			1.50	2.77
	viii Milestone - 8(40meters)			1.50	2.77
	ix Milestone - 9(40meters)			1.50	2.77
	x Milestone - 10(40meters)			1.50	2.77
	xi Milestone - 11(40meters)			1.50	2.77
	xii Milestone - 12(40meters)			1.50	2.77
	xiii Milestone - 13(40meters)			1.50	2.77
	xiv Milestone - 14(40meters)			1.50	2.77
	xv Milestone - 15(40meters)			1.50	2.77
	Total, HRT 3			100.00	184.50
7	HRT - 4 + Adit 4 (890m)	13.00	239.85		
a	Excavation for face opening			6.00	14.39
b	Adit Excavation - 1(40meters)			3.25	7.80
c	Protaction work			2.10	5.04
d	Tunnel Excavation/mucking				
	i Milestone - 1(40meters)			3.20	7.68
	ii Milestone - 2(40meters)			3.20	7.68
	iii Milestone - 3(40meters)			3.20	7.68
	iv Milestone - 4(40meters)			3.20	7.68
	v Milestone - 5(40meters)			3.20	7.68
	vi Milestone - 6(40meters)			3.20	7.68
	vii Milestone - 7(40meters)			3.20	7.68
	viii Milestone - 8(40meters)			3.20	7.68
	ix Milestone - 9(40meters)			3.20	7.68
	x Milestone - 10(40meters)			3.20	7.68
	xi Milestone - 11(40meters)			3.20	7.68
	xii Milestone - 12(40meters)			3.20	7.68
	xiii Milestone -13(40meters)			3.20	7.68
	xiv Milestone -14(40meters)			3.20	7.68
	xv Milestone - 15(40meters)			3.20	7.68
	xvi Milestone - 16(40meters)			3.20	7.68
	xvii Milestone - 17(40meters)			3.20	7.68
	xviii Milestone -18(40meters)			3.20	7.68
	xix Milestone - 19(40meters)			3.20	7.68
	xx Milestone - 20(40meters)			3.20	7.68
	xxi Milestone - 21(40meters)			2.50	6.00
	xxii Milestone - Balance			1.00	2.40
e	Tunnel lining				
	Expansion Joint			1.15	2.76
	i Milestone - 1(40meters)			1.25	3.00
	ii Milestone - 2(40meters)			1.25	3.00
	iii Milestone - 3(40meters)			1.25	3.00

(Signature)

(Signature)
 Dir. Saurajya Hydel Projects Pvt. Ltd.

Sarbari - II SHP Payment Schedule

TOTAL CONTRACT PRICE

1845 LAKHS

Sr. No.	Description of Items	Price break-up	Amount	Payment break-up	Amount
		%	in lacs	%	in lacs
	iv Milestone - 4(40meters)			1.25	3.00
	v Milestone - 5(40meters)			1.25	3.00
	vi Milestone - 6(40meters)			1.25	3.00
	vii Milestone - 7(40meters)			1.25	3.00
	viii Milestone - 8(40meters)			1.25	3.00
	ix Milestone - 9(40meters)			1.25	3.00
	x Milestone - 10(40meters)			1.25	3.00
	xi Milestone - 11(40meters)			1.25	3.00
	xii Milestone - 12(40meters)			1.25	3.00
	xiii Milestone -13(40meters)			1.00	2.40
	xiv Milestone -14(40meters)			1.00	2.40
	xv Milestone - 15(40meters)			1.00	2.40
	xvi Milestone - 16(40meters)			1.00	2.40
	xvii Milestone - 17(40meters)			1.00	2.40
	Total, HRT 4			100.00	239.85
8	HRT - 5 +Adit 5 (1072m)	18.5	341.33		
a	Excavation for face opening			8.00	27.31
	Protection work			1.50	5.12
b	Tunnel Excavation/mucking				
	i Milestone - 1(40meters)			3.25	11.09
	ii Milestone - 2(40meters)			2.90	9.90
	iii Milestone - 3(40meters)			2.25	7.68
	iv Milestone - 4(40meters)			2.25	7.68
	v Milestone - 5(40meters)			2.25	7.68
	vi Milestone - 6(40meters)			2.25	7.68
	vii Milestone - 7(40meters)			2.25	7.68
	viii Milestone - 8(40meters)			2.25	7.68
	ix Milestone - 9(40meters)			2.25	7.68
	x Milestone - 10(40meters)			2.25	7.68
	xi Milestone - 11(40meters)			2.25	7.68
	xii Milestone - 12(40meters)			2.25	7.68
	xiii Milestone -13(40meters)			2.25	7.68
	xiv Milestone -14(40meters)			2.25	7.68
	xv Milestone - 15(40meters)			2.25	7.68
	xvi Milestone - 16(40meters)			2.25	7.68
	xvii Milestone - 17(40meters)			2.25	7.68
	xviii Milestone - 18(40meters)			2.25	7.68
	xix Milestone - 19(40meters)			2.25	7.68
	xx Milestone - 20(40meters)			2.25	7.68
	xxi Milestone - 21(40meters)			2.25	7.68
	xxii Milestone - 22(40meters)			2.25	7.68
	xxiii Milestone - 23(40meters)			2.25	7.68
	xxiv Milestone - 24(40meters)			2.25	7.68
	xxv Milestone - 25(40meters)			2.25	7.68
	xxvi Milestone - 26(40meters)			2.25	7.68
	xxvii Milestone - 27(Balance)			2.00	6.83
e	Tunnel lining				
	Expansion Joint			1.35	4.61
	Ferrule Erection				
	i Milestone - 1(40meters)			1.00	3.41
	ii Milestone - 2(40meters)			1.00	3.41
	iii Milestone - 3(40meters)			1.00	3.41
	iv Milestone - 4(40meters)			1.00	3.41
	v Milestone - 5(40meters)			1.00	3.41
	vi Milestone - 6(40meters)			1.00	3.41
	vii Milestone - 7(40meters)			1.00	3.41
	viii Milestone - 8(40meters)			1.00	3.41
	ix Milestone - 9(40meters)			1.00	3.41

(Signature)

Dir. *(Signature)*
Saurja Hydel Projects Pvt. Ltd.

Sarbari - II SHP Payment Schedule

TOTAL CONTRACT PRICE

1845 LAKHS

Sr. No.	Description of Items	Price break-up	Amount	Payment break-up	Amount
		%	in lacs	%	in lacs
5	HRT - 2 + Adit - 2 (776.53 m)	11.00	202.95		
a	Excavation for face opening			8.00	16.24
b	Adit Excavation - 1(51meters)			2.50	5.07
c	Protection works			2.50	5.07
d	Tunnel Excavation/mucking				
i	Milestone - 1(45.53meters)			3.50	7.10
ii	Milestone - 2(40meters)			3.50	7.10
iii	Milestone - 3(40meters)			3.50	7.10
iv	Milestone - 4(40meters)			3.50	7.10
v	Milestone - 5(40meters)			3.50	7.10
vi	Milestone - 6(40meters)			3.50	7.10
vii	Milestone - 7(40meters)			3.50	7.10
viii	Milestone - 8(40meters)			3.50	7.10
ix	Milestone - 9(40meters)			3.50	7.10
x	Milestone - 10(40meters)			3.50	7.10
xi	Milestone - 11(40meters)			3.50	7.10
xii	Milestone - 12(40meters)			3.50	7.10
xiii	Milestone - 13(40meters)			3.50	7.10
xiv	Milestone - 14(40meters)			3.50	7.10
xv	Milestone - 15(40meters)			3.50	7.10
xvi	Milestone - 16(40meters)			3.50	7.10
xvii	Milestone - 17(40meters)			3.50	7.10
xviii	Milestone - 18(40meters)			3.50	7.10
e	Tunnel lining				
	Expansion Joints			1.50	3.04
i	Milestone - 1(45.53meters)			1.25	2.54
ii	Milestone - 2(40meters)			1.25	2.54
iii	Milestone - 3(40meters)			1.25	2.54
iv	Milestone - 4(40meters)			1.25	2.54
v	Milestone - 5(40meters)			1.25	2.54
vi	Milestone - 6(40meters)			1.25	2.54
vii	Milestone - 7(40meters)			1.25	2.54
viii	Milestone - 8(40meters)			1.25	2.54
ix	Milestone - 9(40meters)			1.25	2.54
x	Milestone - 10(40meters)			1.25	2.54
xi	Milestone - 11(40meters)			1.25	2.54
xii	Milestone - 12(40meters)			1.25	2.54
xiii	Milestone - 13(40meters)			1.25	2.54
xiv	Milestone - 14(40meters)			1.25	2.54
xv	Milestone - 15(40meters)			1.25	2.54
xvi	Milestone - 16(40meters)			1.25	2.54
xvii	Milestone - 17(40meters)			1.25	2.54
xviii	Milestone - 18(40meters)			1.25	2.54
	Total, HRT 2			100.00	202.95
6	HRT - 3 + Adit 3 (620m)	10.00	184.50		
a	Excavation for face opening			10.00	18.45
b	Adit Excavation - 1(20meters)			3.40	6.27
c	Protection work			2.60	4.80
d	Tunnel Excavation/mucking				
i	Milestone - 1(40meters)			4.00	7.38
ii	Milestone - 2(40meters)			4.00	7.38
iii	Milestone - 3(40meters)			4.00	7.38
iv	Milestone - 4(40meters)			4.00	7.38
v	Milestone - 5(40meters)			4.00	7.38
vi	Milestone - 6(40meters)			4.00	7.38
vii	Milestone - 7(40meters)			4.00	7.38
viii	Milestone - 8(40meters)			4.00	7.38

[Signature]

[Signature]
Director
Saurja Hydel Projects Pvt. Ltd.

Sarbari - II SHP Payment Schedule

TOTAL CONTRACT PRICE

1845 LAKHS

Sr. No.	Description of Items	Price break-up		Payment break-up	
		%	in lacs	%	in lacs
	x Milestone - 10(40meters)			1.00	3.41
	xi Milestone - 11(40meters)			1.00	3.41
	xii Milestone - 12(40meters)			1.00	3.41
	xiii Milestone - 13(40meters)			1.00	3.41
	xiv Milestone - 14(40meters)			1.00	3.41
	xv Milestone - 15(40meters)			1.00	3.41
	xvi Milestone - 16(40meters)			1.00	3.41
	xvii Milestone - 17(40meters)			1.00	3.41
	xviii Milestone - 18(40meters)			1.00	3.41
	xix Milestone - 19(40meters)			1.00	3.41
	xx Milestone - 20(40meters)			1.00	3.41
	xxi Milestone - 21(40meters)			1.00	3.41
	xxii Milestone - 22(40meters)			1.00	3.41
	xxiii Milestone - 23(40meters)			1.00	3.41
	xxiv Milestone - 24(40meters)			1.00	3.41
	xxv Milestone - 25(40meters)			1.00	3.41
	xxvi Milestone - 26(40meters)			1.00	3.41
	xxvii Milestone - 27(Balance)			1.00	3.41
	Total HRT 5			100.00	341.33
9	Surge Shaft & PPV Chamber	7.50	138.38		
a	Excavation for foundation			20.00	27.68
b	Laying & providing pcc			40.00	55.35
c	P/L RCC in base slab			20.00	27.68
d	P/L RCC in side wall			15.00	20.76
e	Completion in all respect			5.00	6.92
	Total			100.00	138.38
10	Penstock	9.000	166.05		
a	Excavation for anchors/saddles				
	i Milestone 1 - 25%			5.00	8.30
	ii Milestone 2 - 50%			5.00	8.30
	iii Milestone 3 - 75%			5.00	8.30
	iv Milestone 4 - 100%			5.00	8.30
b	P/L rcc in anchors/saddies				
	i Milestone 1 - 25%			2.50	4.15
	ii Milestone 2 - 50%			2.50	4.15
	iii Milestone 3 - 75%			2.50	4.15
	iv Milestone 4 - 100%			2.50	4.15
c	Ferrule fabrication			5.00	8.30
	i Milestone 1 - 25%			5.00	8.30
	ii Milestone 2 - 50%			5.00	8.30
	iii Milestone 3 - 75%			5.00	8.30
	iv Milestone 4 - 100%			5.00	8.30
d	Ferrule transport & shifting			5.00	8.30
	i Milestone 1 - 50%			2.50	4.15
	ii Milestone 2 - Balance 50%			2.50	4.15
e	Penstock erection			5.50	9.13
	i Milestone 1 - 25%			5.50	9.13
	ii Milestone 2 - 50%			5.50	9.13
	iii Milestone 3 - 75%			5.50	9.13
	iv Milestone 4 - 100%			5.50	9.13
f	Procurement of expansion joints			7.25	12.04
	Milestone 1 - 50%			7.25	12.04
	Milestone 2 - Balance 50%				
g	Erect. of expansion joints			3.00	4.98
	i Milestone 1 - 50%			3.00	4.98
	ii Milestone 2 - Balance 50%				

(Signature)

Dir
Saijua Huzel Projects Pvt. Ltd

Sarbari - II SHP Payment Schedule

TOTAL CONTRACT PRICE

1845 LAKHS

Sr. No.	Description of Items	Price break-up	Amount	Payment break-up	Amount
		%	in lac\$	%	in lac\$
	Milestone 2 - Balance 50%			7.25	12.04
g	Erect. of expansion joints				
	i Milestone 1 - 50%			3.00	4.98
	ii Milestone 2 - Balance 50%			3.00	4.98
h	Completion in all respect			2.50	4.15
	Total for Penstock			100.00	166.05
11	Approach Road	8.065	148.80		
	i Excavation			21.50	31.99
	ii Road with asphaltting			10.00	14.88
	iii Culverts			15.00	22.32
	iv Retaining walls			12.60	18.75
	v Bridge			40.90	60.86
				100.00	148.80
12	Power House	8.50	156.83		
	i Foundation Excavation			10.00	15.68
	ii Retainining walls & Brest wall			4.00	6.27
	iii Column Foundation			5.00	7.84
	iv Rcc of column, tie & plinth beam			6.00	9.41
	v column upto crane beam			10.00	15.68
	vi Beams			7.50	11.76
	vii Corbel & tie beams			7.50	11.76
	viii Fab. & erect. Truss, purlin, sheets			10.00	15.68
	ix Walls, windows, doors etc			10.00	15.68
	x P/L machine foundation			10.00	15.68
	xi P/L RCC in Tail race channel			5.00	7.84
	xii P/L RCC in control room/ser bay			5.00	7.84
	xiii Misc Finishing Works			5.00	7.84
	xiv Switch Yard work			5.00	7.84
	Total, Power House			100.00	156.83
	GRAND TOTAL	100.000	1845.00		

(Signature)

(Signature)
Director

Saurja Hydel Projects Pvt. Ltd.

DSL**HYDROWATT LIMITED**

Empire House,
214, Dr. D. N. Road,
Fort, Mumbai - 400 001. (India)
Phone: +91 22 6634 4678 / 6634 4679
Fax: +91 22 6634 4676
E-mail: somant_s@vsnl.com

M/s. Omega Ventures Private Limited
Sharma Mobile Zone,
Office No. 6, Anand Market Complex
The Mall, SOLAN 173 212, H.P.

5th December 2008

Dear Sirs,


Subject: Sarbari II SHP - Miscellaneous Civil Works

With reference to the meeting we had and subsequent visit to Sarbari - II Project site, we are pleased to place our order on you for the following miscellaneous Civil works on the following terms and conditions:

- 1) The total value of the work shall be Rs. 364 lacs.
- 2) The Scope of Work and payment against each of the work is given in Annexure 1.
- 3) The payment will be made only when a particular item is completed and there shall be no pro-rata payment.
- 4) As agreed, rate is inclusive of taxes and duties as applicable at the time of raising the bill.
- 5) The payment shall normally be made within 10 days of receipt of the bill duly certified.
- 6) 5% shall be retained as contract performance guarantee and the same shall be released 12 months after the date of completion of work.
- 7) Timely completion of assigned work is the essence of the contract and you shall carry out the work as per instruction of our Senior Manager - Civil, Mr. Rohit Sharma and mobilize the required manpower to complete each task in the stipulated time period.
- 8) You shall be responsible for maintaining all the statutory requirements, filing of plant returns with respect to above work and indemnify the company against any claims/ compensation/ penalty/ fine arising out of default on your part.
- 9) You shall take necessary insurance to cover compensation for workers and any damage / claims from third party against damage to person / property.

Kindly sign a copy of this order as token of your acceptance of the above terms and conditions, to also as an acknowledgement for having received the order.

Yours truly,
For DSL Hydrowatt Limited


M.N. Ramachandra
Advisor

We do hereby accept the above



For M/s. Omega Ventures Private Ltd

REGD. OFFICE : 121, INDUSTRIAL AREA, BADDI - 173 205 DISTT. SOLAN (H. P.)

*Acts
for information*

ANNEXURE 1

CIVIL ACTIVITIES

(Rupees In lacs)

1.	Initial approach road & pathways to		
	• Adit 2	25.00	
	• Adit 3	20.00	
	• Adit 4	20.00	
	• Tunnel outlet	50.00	
	• Power house	15.00	130.00
2.	Slope protection area		
	• Penstock area	35.00	35.00
3.	Rock cutting		
	• Penstock	35.00	
	• Switchyard	40.00	
	• Tailrace	49.00	124.00
4.	Coffer dam / Diversion & river protection	75.00	75.00
	TOTAL		364.00





हरियाणा HARYANA

G 853690

SUPPLY CONTRACT AGREEMENT

Contract No. DSLHL-2009/E&M/1

THIS AGREEMENT made on 30th day of March 2009 between DSL Hydrowatt Limited, Empire House, 3rd Floor, 214, Dr. D. N. Road, Fort, Mumbai – 400 001 (hereinafter called "Purchaser") of the one part and Flovel Mecamidi Energy Private Limited, 14/3, Mathura Road, Faridabad – 121003, India (hereinafter called "Contractor") of the other part.

WHEREAS Purchaser is desirous that certain Goods should be provided by Contractor, viz. TG set with all accessories, MIV, PPV, BOP equipments, etc., and has accepted a bid by Contractor for the provision of those Goods in the sum of Rs. 11,12,71,015/- (Rupees Eleven Crores Twelve Lacs Seventy One Thousand Fifteen Only) (hereinafter called "Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.



2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.

a) This Contract Agreement and the Appendices hereto:-

Appendix-1 : Scope of Supply

Annexure – I (List of Spares)

Annexure – II (List of Tools and Plants)

Appendix-2 : Delivery Schedule

Appendix-3 : Commercial Terms and Conditions

Appendix-4 : Price Schedule

b) Order confirmation (NOA) – Ref. No. DSLHL/2009/1105 dated 27th March, 2009.

c) Offer of Flovel Mecamidi Energy Private Limited (Ref. No. FMEPL/SH/152/IND/SK/2508) dated 23rd March, 2009.

d) FMEPL's clarification letter no. FMEPL/SH/152/IND/SK/2506 dated 21st March, 2009.

e) Special Conditions of Contract of Tender documents (Section - V).

f) General Conditions of Contract of Tender documents (Section - IV).

g) Technical Specifications of Tender Documents (Section – VI)

3. In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 2 above.

4. In consideration of the payments to be made by Purchaser to Contractor as hereinafter mentioned, Contractor hereby covenants with Purchaser to provide the Goods to remedy defects there in conformity in all respect with the provisions of the Contract.





2 of 16



5. Purchaser hereby covenants to pay Contractor in consideration of the provision of Goods and remedying of defects therein, Contract Price or such other sum as may become payable under the provisions of Contract at the times and in the manner prescribed by Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

Signed, Sealed & Delivered by :



M. N. Ramachandra
Advisor
DSL Hydrowatt Limited

Signed, Sealed & Delivered by :



Bhaskar Gupta
Dy. General Manager-Marketing
Flovel Mecamidi Energy Pvt. Ltd.

SUPPLY CONTRACT AGREEMENT NO.: DSLHL-2009/E&M/1

APPENDIX - 4

Price Schedule for Supply

									Amount in INR
DESCRIPTION	Qty	Unit	Ex-Works price for each set	Total Ex-Works cost of each Item (Col 3 x 4)	Excise Duty @ 8.24%	Sales Tax @ 2% against Form 'C'	Inland Transportati on & Insurance	Total Contract Price (excl. Taxes & Duties) (col. 5+6+7+8)	Total Price upto Final Destination (incl. Taxes & Duties) (col. 5+6+7+8)
2	3	4	5	6	7	8	9	10	
Electro-mechanical Equipment									
SUPPLY									
Fabricated Structure made out of MS HR/CR sheets Plates/Coils / Strips - Parts of Hydraulic Turbine) such as :-									
Turbine Housing	2	Sets	26,00,000	52,00,000	4,28,480	1,12,570	1,69,000	53,69,000	59,10,050
Twin jet Distributor, Nozzle Assembly & Deflector Assembly	2	Sets	30,00,000	60,00,000	4,94,400	1,29,888	1,95,000	61,95,000	68,19,288
Runner Assembly	2	Sets	33,00,000	66,00,000	5,43,840	1,42,877	2,14,500	68,14,500	75,01,217
Embedd pipes & parts of Hydraulic turbine (First Stage Concrete Embedements	1	Lot	2,00,000	2,00,000	16,480	4,330	6,500	2,06,500	2,27,310
Electro-Hydraulic Micro Processor based Digital Governor with all accessories	2	Nos.	7,20,000	14,40,000	1,18,656	26,373	46,800	14,86,800	16,31,829
Cooling Water System	1	Set	4,20,000	4,20,000	34,608	7,692	13,650	4,33,650	4,75,950
Inlet Butterfly Valve with accessories (800 mm)	2	Sets	19,20,000	38,40,000	3,16,416	70,328	1,24,800	39,64,800	43,51,544
Penstock Butterfly Valve with accessories and OPU (1200 mm)	1	Set	24,60,000	24,60,000	2,02,704	45,054	79,950	25,39,950	27,87,708
Oil Pressure Pumping System for Governor and MIV	2	Sets	7,20,000	14,40,000	98,880	25,978	46,800	14,86,800	16,11,658
Horizontal Synchronous Generator of rating 3250 kW, 6.6 kV at 0.85 Power Factor with 10% continuous overloadSystem									
Horizontal Synchronous Generator	2	Sets	1,58,19,000	3,16,20,000	22,12,440	5,81,249	10,27,650	3,26,47,650	3,54,41,339
Braking System	2	Sets	1,20,000	2,40,000	16,480	4,330	7,800	2,47,800	2,68,610
Lubrication Oil system	2	Sets	4,50,000	9,00,000	61,800	16,236	29,250	9,29,250	10,07,286
AVR	2	Sets	3,90,000	7,80,000	53,560	14,071	25,350	8,05,350	8,72,981
Neutral grounding Panel (NGT)	2	Sets	2,28,000	4,56,000	31,312	8,226	14,820	4,70,820	5,10,358
Lightning Arrestors & voltage Transformer cubicle (LAVT)	2	Set	2,40,000	4,80,000	32,960	8,659	15,600	4,95,600	5,37,219
6.6 kV Switchgear	1	Set	14,40,000	14,40,000	98,880	25,978	46,800	14,86,800	16,11,658
Control, metering and relay panels complete									
(a) Generator Control, metering & relay Panel (GMRP)	2	Nos.	5,16,000	10,32,000	70,864	18,617	33,540	10,65,540	11,55,021



PLY CONTRACT AGREEMENT NO.: DSLHL-2009/E&M/1

APPENDIX - 4

Price Schedule for Supply

DESCRIPTION	Qty	Unit	Ex-Works price for each set	Total Ex-Works cost of each Item (Col 3 x 4)	Excise Duty @ 8.24%	Sales Tax @ 2% against Form 'C'	Inland Transportati on & Insurance	Total Contract Price (excl. Taxes & Duties) (col. 5+6+7+8)	Amount in INR
									Total Price upto Final Destination (incl. Taxes & Duties) (col. 5+6+7+8)
2	3	4	5	6	7	8	9	10	
Transformer Control, metering & relay Panel (TMRP)	1	No.	3,60,000	3,60,000	24,720	6,494	11,700	3,71,700	4,02,914
Line Control, metering & relay Panel (LMRP)	2	Nos.	2,64,000	5,28,000	36,256	9,525	17,160	5,45,160	5,90,941
Synchronizing Panel	1	No.	1,62,000	1,62,000	11,124	2,922	5,265	1,67,265	1,81,311
Cables and accessories	1	Set	21,60,000	21,60,000	1,48,320	38,966	70,200	22,30,200	24,17,486
110 V DC system	1	Set	5,76,000	5,76,000	39,552	10,391	18,720	5,94,720	6,44,663
LTAC panel and AC distribution board	1	Set	4,92,000	4,92,000	33,784	8,876	15,990	5,07,990	5,50,650
Communication System	1	Set	1,20,000	1,20,000	8,240	2,165	3,900	1,23,900	1,34,305
Outdoor Power transformer (8500 kVA, 6.6 / 33 kV)	1	No.	48,00,000	48,00,000	3,29,600	86,592	1,56,000	49,56,000	53,72,192
Auxiliary transformer (62.5 kVA, 6.6 kV/415 V)	1	No.	1,20,000	1,20,000	8,240	2,165	3,900	1,23,900	1,34,305
33 kV Outdoor Switchyard Equipment									
33 kV, 630 A, 25 kA/1 sec, Vacuum Circuit Breaker	3	Nos.	2,88,000	8,64,000	59,328	15,587	28,080	8,92,080	9,66,995
33 kV, 630A, triple pole, double break, isolators with earthing switch	2	Nos.	72,000	1,44,000	9,888	2,598	4,680	1,48,680	1,61,166
33 kV, 630 A, triple pole, double break, isolators without earthing switch	3	Nos.	66,000	1,98,000	13,596	3,572	6,435	2,04,435	2,21,603
33 kV, single phase, 33/√3 kV / 110/√3 V / 110/√3 V outdoor type voltage transformer	9	Nos.	38,400	3,45,600	23,731	6,235	11,232	3,56,832	3,86,798
33 kV, Single Phase, 50 Hz, outdoor type current transformers	12	Nos.	38,400	4,60,800	31,642	8,313	14,976	4,75,776	5,15,730
Single phase, 30 kV, 10 KA Lightning Arresters	9	Nos.	15,600	1,40,400	9,641	2,533	4,563	1,44,963	1,57,137
ACSR conductors, Ground wire, clamps and connectors	Included in 18.9 below								
33 kV post insulators	Included in 18.9 below								
Switchyard structures	1	Set	11,47,360	11,47,360	78,785	20,698	37,289	11,84,649	12,84,133
Earthing & Lightning System	1	Set	4,80,000	4,80,000	32,960	8,659	15,600	4,95,600	5,37,219
Semi EOT Crane	1	No.	30,00,000	30,00,000	2,06,000	54,120	97,500	30,97,500	33,57,620
Fire fighting Equipment	1	Set	72,000	72,000	4,944	1,299	2,340	74,340	80,583
Lighting System	1	Set	2,40,000	2,40,000	16,480	4,330	7,800	2,47,800	2,68,610
Ventilation & Air conditioning system	1	Set	1,20,000	1,20,000	8,240	2,165	3,900	1,23,900	1,34,305
62.5 kVA Diesel Generator Set	1	No.	4,20,000	4,20,000	28,840	7,577	13,650	4,33,650	4,70,067



APPENDIX - 4

Price Schedule for Supply

S.NO.	DESCRIPTION	Qty	Unit	Ex-Works price for each set	Total Ex-Works cost of each Item (Col 3 x 4)	Excise Duty @ 8.24%	Sales Tax @ 2% against Form 'C'	Inland Transportati on & Insurance	Total Contract Price (excl. Taxes & Duties) (col. 5+8)	Amount in INR
										Total Price upto Final Destination (incl. Taxes & Duties) (col. 5+6+7+8)
1	2	3	4	5	6	7	8	9	10	
25	Spares as per list given in offer	1	Set	8,40,000	8,40,000	64,272	16,885	27,300	8,67,300	9,48,457
26	Tools and Plants as per list given in offer	1	Set	1,80,000	1,80,000	12,360	3,247	5,850	1,85,850	2,01,457
27	Pressure Dissipation System									
27.1	Plunger Valve Model PLV DN 500 PN 25 with counter flanges & hardware	1	No.	32,31,800	32,31,800	2,66,300	69,962	97,000	33,28,800	36,65,062
27.2	Butterfly valve assembly DN 800 PN 25, complete with u/s, d/s pipe, bypass assembly, dismantling joint	1	No.	21,91,200	21,91,200	1,80,555	47,435	66,000	22,57,200	24,85,190
27.3	Oil Pressure Unit with Accumulator	1	No.	5,14,800	5,14,800	42,420	11,144	15,500	5,30,300	5,83,864
27.4	Oil Piping	1	Set	33,000	33,000	2,719	714	1,000	34,000	37,434
27.5	Servo Valve	1	No.	97,240	97,240	8,013	2,105	3,000	1,00,240	1,10,358
27.6	Oil for OPU	1	Lot	17,160	17,160	1,414	371	550	17,710	19,495
27.7	Power & Control cables	1	Set	1,10,000	1,10,000	9,064	2,381	3,300	1,13,300	1,24,745
27.8	Electrical Control Panel (Panel)	1	No.	9,72,400	9,72,400	80,126	21,051	29,650	10,02,050	11,03,226
28	Penstock Protection System	1	Set	12,36,000	12,36,000	1,01,846	26,757	29,000	12,65,000	13,93,603
29	Water Level Signal Communication System along with Tele Communication System through Fiber Optic Cable between	1	Set	14,04,000	14,04,000	1,15,690	30,394	32,000	14,36,000	15,82,083
					9,23,25,760	68,81,449	17,80,684	29,58,840	9,52,84,600	10,39,46,733
30	Water Conductor	1	Set	1,43,52,871	1,43,52,871	<----- included ----->			1,43,52,871	1,43,52,871
31	Expansion Joint	1	Set	16,33,544	16,33,544	<----- included ----->			16,33,544	16,33,544
					10,83,12,175	68,81,449	17,80,684	29,58,840	11,12,71,015	11,99,33,148
Total Contract Price (Total of Col. 9)										

(Rupees Eleven Crores Twelve Lacs Seventy One Thousand Fifteen Only)

Note:

Contractor shall supply one number additional Runner to the Purchaser as spare at an additional Ex-Works price as follows:

- Upto one year from commissioning : Rs. 35.0 Lacs
- Upto two years from commissioning : Rs. 37.5 Lacs
- Upto three years from commissioning : Rs. 40.0 Lacs





हरियाणा HARYANA

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SERVICES CONTRACT AGREEMENT

Contract No. DSLHL-2009/E&M/2

THIS AGREEMENT made on 30th day of March 2009 between DSL Hydrowatt Limited, Empire House, 3rd Floor, 214, Dr. D. N. Road, Fort, Mumbai – 400 001 (hereinafter called "Purchaser") of the one part and Flovel Mecamidi Energy Private Limited, 14/3, Mathura Road, Faridabad – 121003, India (hereinafter called "Contractor") of the other part.

WHEREAS Purchaser is desirous that certain Services should be provided by Contractor, viz. erection, testing and commissioning of TG set with all accessories, MIV, PPV, BOP equipments, etc., and has accepted a bid by Contractor for the provision of those Goods in the sum of **Rs. 34,25,000 (Rupees Thirty Four Lacs Twenty Five Thousand Only)** (hereinafter called "Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.



2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.

a) This Contract Agreement and the Appendices hereto:-

Appendix-1 : Scope of Services

Appendix-2 : Schedule for Erection, Testing & Commissioning

Appendix-3 : Commercial Terms and Conditions

Appendix-4 : Price Schedule

b) Order confirmation (NOA) – Ref. No. DSLHL/2009/1106 dated 27th March, 2009.

c) Offer of Flovel Mecamidi Energy Private Limited (Ref. No. FMEPL/SH/152/IND/SK/2508 dated 23rd March, 2009.

d) FMEPL's clarification letter no. FMEPL/SH/152/IND/SK/2506 dated 21st March, 2009.

e) Special Conditions of Contract of Tender documents (Section - V).

f) General Conditions of Contract of Tender documents (Section - IV).

g) Technical Specifications of Tender Documents (Section – VI)

3. In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 2 above.



4. In consideration of the payments to be made by Purchaser to Contractor as hereinafter mentioned Contractor hereby covenants with Purchaser to provide the services to remedy defects there in conformity in all respect with the provisions of the Contract.



5. Purchaser hereby covenants to pay Contractor in consideration of the provision of Services and the remedying of defects therein, Contract Price or such other sum as may become payable under the provisions of Contract at the times and in the manner prescribed by Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

Signed, Sealed & Delivered by :



M. N. Ramachandra
Advisor
DSL Hydrowatt Limited

Signed, Sealed & Delivered by :



Bhaskar Gupta
Dy. General Manager-Marketing
Flovel Mecamidi Energy Pvt. Ltd.