



[www.reportjunction.com](http://www.reportjunction.com)


[www.sansco.net](http://www.sansco.net)



**Indiabulls**  
**POWER**



# HARNESSING THE ENERGIES AROUND US



**Indiabulls Power Limited.**  
Annual Report 2009-10



[www.reportjunction.com](http://www.reportjunction.com)

# Contents

## Company Overview

Corporate Information	1
Corporate Identity	2
Chairman's Message	4
Harnessing The Energies Around Us	6

## Board and Management Reports

Management Discussion and Analysis Report	10
Directors' Report	18
Report on Corporate Governance	26

## Financial Statements

Consolidated Financials	39
Standalone Financials	83
Balance Sheet Abstract & Company's General Business Profile	145
Statement pursuant to Section 212(1) (e) of the Companies Act, 1956	146
Details of Subsidiary Companies	154

# Corporate Information

## BOARD OF DIRECTORS

- |                          |                                |
|--------------------------|--------------------------------|
| 1. Mr. Sameer Gehlaut    | 4. Mr. Shamsheer Singh Ahlawat |
| 2. Mr. Rajiv Rattan      | 5. Mr. Prem Prakash Mirdha     |
| 3. Mr. Saurabh K. Mittal | 6. Brig. Labh Singh Sitara     |

## BANKING AND FINANCING RELATIONSHIPS

Allahabad Bank	Power Finance Corporation Limited
Axis Bank	Punjab National Bank
Bank of India	Rural Electrification Corporation Limited
Canara Bank	State Bank of Bikaner and Jaipur
Central Bank of India	State Bank of India
HDFC Bank	State Bank of Travancore
ICICI Bank	Syndicate Bank
Indian Bank	UCO Bank
Indian Overseas Bank	United Bank of India
Life Insurance Corporation of India	Yes Bank

## REGISTERED OFFICE

E-29 First Floor,  
Connaught Place,  
New Delhi- 110 001

## WEBSITE

[www.indiabulls.com/power/](http://www.indiabulls.com/power/)

## COMPANY SECRETARY

Mr. Gaurav Toshkhani

## REGISTRAR AND TRANSFER AGENT

Karvy Computershare Private Limited  
Plot No. 17 to 24, Vittal Rao Nagar  
Madhapur, Hyderabad- 500 081

## CORPORATE OFFICES

1. "Indiabulls House", 448-451,  
Udyog Vihar, Phase V, Gurgaon-122001
2. One Indiabulls Center  
Tower 2/B, 841 Senapati Bapat Marg  
Elphinstone Road, Mumbai -400 013

## STATUTORY AUDITORS

Deloitte Haskins & Sells  
Chartered Accountants  
Opp. Shiv Sagar Estate  
12, Dr. Annie Besant Road  
Worli Mumbai -400 018



# Corporate Identity

After six decades of Independence, India is bracing up for another movement of a grand scale and deep significance.

The movement for energy independence --- for a society in which uninterrupted power will no longer be a dream but a reality; for agricultural and industrial growth, for development of our country and an enhanced quality of life, to take our nation into the league of advanced nations.

At Indiabulls Power Limited, we are focusing our strategies and execution capabilities for a swift turnaround of our power projects and at the same time seeking ways and means to ensure a clean environment through harnessing renewable energy.

To help secure India's energy independence.

# Staying ahead in the energy race with a...

- ⚡ Strong portfolio of power generation projects under construction
- ⚡ Secured fuel access with committed land and water
- ⚡ Long-term power off-take arrangements.
- ⚡ Strong parentage of the Indiabulls Group
- ⚡ Experienced management team with a outstanding track record of project execution
- ⚡ Strategically located in western India, the most industrially developed part of the country



# Chairman's message

## Dear Shareholders,

Our country has the second fastest growing economy in the world and yet there are infrastructural challenges that need to be addressed expeditiously to sustain this growth momentum. One of them is the widening gap between demand and supply in the power sector. An expanding economy has fostered increased levels of industrialization and urbanization, necessitating enhanced power consumption. Additionally, rural electrification is a priority of the Government of India, which is expected to expand demand further.

The Indian power sector has historically been starved of investment leading to inadequate capacity addition and an antiquated distribution infrastructure. As a result, India's per capita energy consumption has remained artificially low compared to other parts of the world. Over the last three Five-Year Plans (1992 to 2006), less than 50 % of the targeted additional capacity enhancement was implemented. This has resulted in an ever expanding demand-supply gap, which needs to be addressed with alacrity by capital investment from the private sector.

*“The overwhelming response to the IPO is a demonstration of the trust you have placed in us. Let me assure you that at this juncture, we are on the right course to build our leadership position in the energy sector in the country.”*

*“Our Company is exceedingly well positioned to leverage the huge power opportunity with over 2700 MW under construction and over 4000 MW under development.”*

Realizing the business potential in the power sector back in 2007, your Company began to aggressively invest in developing power projects. Today your Company is exceedingly well positioned to leverage the huge power opportunity with over 2700 MW under construction and over 4000 MW under development. Your Company realized very early the key drivers which have helped accelerate execution of our power projects, load centre locations, fuel security and a diversified assets portfolio.

Uninterrupted and secure availability of low-cost fuel is critical for smooth functioning of thermal power plants. Your Company has been granted coal linkages by the Ministry of Coal for our Amravati Phase I and II Power Projects & Nashik Phase I & II Power Projects. You would be pleased to know that financial closure has been achieved for both Amravati and Nashik projects. Construction work is in full swing at both sites with contracts awarded for all major equipment and services to the best contractors in India.

IPL intends to enter into long-term power purchase agreements for 75-80% of the overall installed capacity and channelize 20-25% of the balance capacity for merchant sale. We have already entered into a long-term power purchase agreement with Maharashtra State Electricity Distribution Company Limited for the sale of 1200 MW of power, proposed to be generated at the Amravati Phase I Power Project.

As a responsible Corporate Citizen, we are also keenly looking at opportunities to extend our footprint to the generation of renewable energy. Going ahead we are confident that our asset mix will help us realize superior returns to our shareholders.

The overwhelming response to the IPO is a demonstration of the trust you have placed in us. Let me assure you that at this juncture, we are on the right course to build our leadership position in the energy sector in the country and at the same time help achieve India's vision to make power affordable to all sections of society to accelerate inclusive national growth. I hope with your encouragement and support, we would be able to enhance collective competencies to live up to the expectations of our stakeholder fraternity.

Yours sincerely,

**Sameer Gehlaut**

Founder and Chairman



# We care for our people and the planet



*“We have enforced safety standards and implemented work safety measures at all our operating locations, ensuring healthy, safe and environmentally friendly working conditions.”*



## SAFETY

**We, at Indiabulls Power Limited., believe that Health and Safety of all our personnel is of utmost importance and takes precedence in all our business decisions.**

At IPL, safety is not a regulatory compliance, but a corporate credo followed with diligence across all operations. We have enforced safety standards and implemented work safety measures at all our operating locations, ensuring healthy, safe and environmentally friendly working conditions. We are committed to ensure that all our plants will adhere to the highest safety standards with each location serviced by their own safety management department. We ensure employee involvement in maintaining a safe and healthy workplace through periodic reviews of operational procedures, safe methods of work and a safe work environment. We have developed a culture of safety through active leadership and provide appropriate training at all levels to enable employees to fulfill their health and safety obligations. Some of our safety initiatives include:

- ⚡ Defining and communicating safety policy and standards across the Company
- ⚡ Formation of Safety Committees
- ⚡ Dissemination of health and safety policies and guidelines through printed booklets, pamphlets on various safety related topics
- ⚡ Preparation of Safety Plan (Manual) for various projects and maintaining a check lists for various job activities to be carried out
- ⚡ Implementation of HSE award scheme for workers & staff
- ⚡ Issue of entry and work permits for all workers and staff
- ⚡ Conducting tool box talk before start of every shift
- ⚡ Conducting Safety Induction Training for new workers, staff & employees and visitors
- ⚡ Conducting Focused Safety audit (FSA) for various construction activities
- ⚡ Preparation of Risk Identification Report (RIR) by Line Engineers
- ⚡ Issuing Safety Corrective Action Report (SCAR) for non compliance
- ⚡ Including strict safety standards in all contracts to ensure a safe worksite

*“We have institutionalized an effective system of environment monitoring, pollution control equipment and emissions management.”*

