



**BOARD RESOLUTION**

Certified true copy of the Board Resolution of the Board of Directors M/s Atria Hydel Power Ltd passed at a meeting of the Board on 19.03.2000 at the registered office of the company at No.1. Palace Road, Bangalore and duly recorded in the minute book of the company.

Resolved that the 6.6MW Seshadri Iyer Mini Hydel Power project is eligible for carbon financing benefits as its is a renewable energy project.

Further resolved that the management shall take necessary action at appropriate time to avail the benefits and incentives for carbon credits and Mr .K. Nagaraju, Director of the Company be individually authorized to furnish any details/documents required for availing carbon credit..

**" TRUE EXTRACT "**

For **ATRIA HYDEL POWER LTD**



**K.NAGARAJU**  
**DIRECTOR**

Month	Year	Generation (kWh)	Export (kWh)	Initial Tarriff (INR) with 5% escalation	Revised Tarriff (INR) with 2% escalation	Difference (INR)	Financial Losses (INR)
January	2002	0	0				
February	2002	0	0				
March	2002	0	0				
April	2002	0	0				
May	2002	0	0				
June	2002	707400	686,133	3.320			
July	2002	4102150	4,087,733	3.320			
August	2002	4891150	4,723,266	3.320			
September	2002	4705650	4,567,200	3.320			
October	2002	5009500	4,860,666	3.320			
November	2002	4920250	4,778,933	3.320			
December	2002	4938250	4,785,133	3.320			
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March	2003	474500	461,200	3.320			
April	2003	18000	15,000	3.480			
May	2003	20500	20,200	3.480			
June	2003	242050	236,160	3.480			
July	2003	2016500	1,954,080	3.480			
August	2003	5160000	5,006,880	3.480			
September	2003	4877500	4,736,640	3.490			
October	2003	4537500	4,401,600	3.490			
November	2003	4827000	4,690,560	3.490			
December	2003	2088500	2,032,800	3.490			
January	2004	96000	149,280	3.490			
February	2004	0	-	3.490			
March	2004	0	-	3.490			
April	2004	227500	221,760	3.490			
May	2004	339000	330,720	3.490			
June	2004	1725500	2,353,440	3.665	2.900	0.76	1,799,206
July	2004	4790000	4,721,760	3.665	2.900	0.76	3,609,789
August	2004	5125000	5,043,840	3.665	2.900	0.76	3,856,019
September	2004	4601000	4,491,840	3.665	2.900	0.76	3,434,015
October	2004	1615550	1,521,600	3.665	2.958	0.71	1,075,011
November	2004	296950	287,040	3.665	2.958	0.71	202,794
December	2004	33250	32,640	3.665	2.958	0.71	23,060
January	2005	5500	5,280	3.665	2.958	0.71	3,731
February	2005	8860	6,240	3.665	2.958	0.71	4,408
March	2005	37000	35,040	3.665	2.958	0.71	24,756
April	2005	192550	158,800	3.665	2.958	0.71	112,192
May	2005	5000	4,800	3.665	2.958	0.71	3,391
June	2005	0	-	3.848	2.958	0.89	-
July	2005	1963500	1,955,520	3.848	2.958	0.89	1,739,876
August	2005	4901900	4,601,760	3.848	2.958	0.89	4,094,304
September	2005	4306850	3,977,280	3.848	2.958	0.89	3,538,688
October	2005	4288000	4,025,280	3.848	3.017	0.83	3,343,259
November	2005	3491250	3,241,920	3.848	3.017	0.83	2,692,627
December	2005	1822300	1,701,120	3.848	3.017	0.83	1,412,892
January	2006	151200	148,800	3.848	3.017	0.83	123,588
February	2006	139600	131,520	3.848	3.017	0.83	109,236
March	2006	409650	390,240	3.848	3.017	0.83	324,120
April	2006	350750	334,080	3.848	3.017	0.83	277,475
May	2006	1416750	1,340,160	3.848	3.017	0.83	1,113,091
June	2006	1434000	1,368,000	3.848	3.017	0.83	1,136,214
July	2006	5132000	4,829,280	4.040	3.017	1.02	4,940,121
August	2006	5234750	4,910,880	4.040	3.017	1.02	5,023,594
<b>Total</b>		<b>114,273,060</b>	<b>110,767,437</b>				<b>44,017,459</b>

SL.No.	Name of Power Plant	Fuel	Year of Commissioning	2001-2002	2002-2003	2003-2004
				(MU)	(MU)	(MU)
<b>A.</b>	<b>State Sector-Hydro (Purchase from KPCL)</b>					
1	Sharavathy	Hydel	1964-67	4155.68	2827.11	3261.49
2	Chakra	Hydel	2002-2003	0	412.46	455.38
3	Linganamakki	Hydel	1979-80	175.77	111.23	126.93
4	Nagajhari	Hydel	1979-84	2393.18	1782.86	1700.84
5	Supa	Hydel	1985	387.9	250.31	234.5
6	Ghataprabha	Hydel	1992-93	72.47	57.79	63.01
7	Varahi	Hydel	1989-90	870.85	822.53	696.84
8	Mani	Hydel	1992-93	19.41	17.46	10.62
9	Bhadra	Hydel	1962-63	23.67	8.76	4.73
10	Kadra	Hydel	1997-99	282.55	228.69	214.73
11	Kalmala	Hydel		0.13	0.05	0.12
12	Sirwar	Hydel		0.22	0.78	0.17
13	Ganekal	Hydel		0.49	0.14	0.07
14	Mallapur	Hydel		28.34	0.76	8.46
15	Kodasali	Hydel	1999	274.82	213.63	212
16	Gerusoppa	Hydel	2000-01	408.25	309.63	355.38
17	Bhadra Right Bank	Hydel	1998	20.66	7.49	3.79
18	Kappadagudda	Hydel		5.31	10.86	14.98
19	Almatti Dam Power House	Hydel	2003-2004	0	0	0.45
	<b>Total</b>			<b>9119.7</b>	<b>7062.54</b>	<b>7364.49</b>
<b>B.</b>	<b>IPPs-Mini Hydel</b>					
1	ITPL		Before 1999	2.37	1.38	0.66
2	EDCL		Before 1999	24.48	22.87	20.76
3	Murudeshwar Power Corporation Ltd.		Before 1999	48.54	37.91	37.17
4	Bhoruka Power Corporation Ltd.		Before 1999	27	27.3	23.59
5	Bhoruka Power (Shahapur)		Before 1999	0	0	2.86
6	S.M.I.O.R.E		Before 1999	28.46	11.98	4.45
7	Thungabhadra Steel Products		Before 1999	0.39	0.37	0.31
8	Amogha Power Projects		2001-2002	1.96	2.8	1.81
9	Atria Power Corporation Ltd.		2001-2002	21.34	79.29	54.46
10	Vijaylakshmi Hydro Power Ltd.		2002-2003		1.33	1.83
11	Moodatyagil Power Pvt. Ltd.		2002-2003		0.32	0.52
12	Subhash Kabini power Corporation Ltd.		2003-2004			28.12
13	Maruthi Power (Kabini)		2003-2004			1.65
14	Maruthi Power (Hemabhathi)		2003-2004			0.5
15	Kalson Power Tech Ltd.		2003-2004			2.89
16	Graphite India Ltd.		2003-2004			1.31
17	International Power Corpn. Ltd.		2003-2004			3.32
	<b>Total</b>			<b>154.54</b>	<b>185.55</b>	<b>158.09</b>

Source: **Karnataka Power Corporation Limited**

28/08 00 11  
PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub:- Sheshadri Iyer Mini Hydel scheme near Shivana  
-samudram - by M/s.Atria Power Corporation of  
M/s.ASK Bros - Enhancement of the capacity  
from 0.5 MW to 6.0 MW - Reg.

- R E A D:1. G.O.No.DE 28 NCE 96 (26) dated 24-7-1996  
2. Letter dated 24-1-1998 from M/s.Atria Power  
Corporation Ltd.,  
3. KEB Lr.No.KEB/B-28/B-13/6288/93-94 dated  
9-6-1998.

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P R E A M B L E:

In Govt. Order dated 24-7-1996, read at (1) above, permission was accorded to M/s.ASK Bros, B'lore to set up a 0.5 MW Mini Hydel Power Project at Sheshadri Iyer Mini Hydel Scheme, Shivana Samudram, Mysore District. Subsequently M/s.ASK Brothers formed a separate Company viz., M/s.Atria Power Corporation to implement this project. The Company in their letter dated 24-1-1998 read at (2) above, have stated that their study would reveal that with little improvement to the existing Shiva Power Channel the water availability would increase resulting in a higher generation of power upto 6.0 MW and have requested Government to permit them to harness the additional energy upto 6.0 MW. This proposal has been examined in consultation with Karnataka Electricity Board. Karnataka Electricity Board has opined that the request of the Company may be considered subject to certain conditions to this effect.

GOVERNMENT ORDER NO. DE 50 NCE 97 BANGALORE, DATED:16-07-1998

In the circumstances explained in the preamble; and after careful consideration of the proposal of M/s.Atria Power Corporation, Bangalore, for enhancement of the capacity of the project from 0.5 MW to 6.0 MW, Government are pleased to order as follows:-

M/s.Atria Power Corporation Ltd., Bangalore, are permitted to enhance the capacity of the project allotted to them at Sheshadri Iyer Mini Hydel Scheme, Shivana Samudram, Mysore District from 0.5 MW to 6 MW after making necessary improvements to the Shiva Power Channel subject to the

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25/08 00 10:00  
following conditions:-

(1) Priority for the use of available water in the scheme shall be in the following order:-

(i) Water for generation of power at Shivana-Samudram (after R/M) and Shimsha.

(ii) Requirement of water for BWSSB for the I to IV Stage of Cauvery.

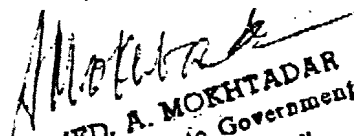
(iii) Remaining Water for generation of power by the proposed power plant by M/s.Atria Power Corporation.

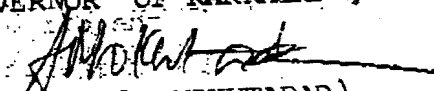
(2) Arrangement for water releases for generation will be with the approval of the Chairman, B.W.S.S.B,

(3) The cost of deepening the power channel shall be borne by the allottee Company. The work should be carried out only after obtaining the approval of Karnataka Electricity Board, and in such manner that the flow of water for power generation and to meet the water supply requirements of BWSSB are not affected in the least, and meeting drinking water supply needs will always have first priority.

(4) The conditions stipulated in Govt. Order dated 24-2-1996 shall continue to remain unaltered.

BY ORDER AND IN THE NAME OF THE  
GOVERNOR OF KARNATAKA,

  
AHMED. A. MOKHTADAR  
Under Secretary to Government,  
Department of Energy

  
( AHMED. A. MOKHTADAR )  
Under Secretary to Government,  
Energy Department.

To:

The Compiler, Karnataka Gazette, Govt. Press, Bangalore-1.

Copy to:

1. The Secretary to Government, Irrigation Department, M.S. Building Bangalore-560 001.
2. The Secretary to Govt. Forest, Environment & Ecology, Bangalore-1.
3. The Chairman, Karnataka Electricity Board, Cauvery Bhavan, B'lore
4. The Chairman, Karnataka Renewable Energy Development Ltd., B'lore
5. M/s.ASK Bro-thers, 1/1, Palace Road, Bangalore-560 001.
6. M/s.Atria Power Corporation Ltd., No.1/1, Palace Road, B'lore-1.

Dated : 1<sup>st</sup> January, 2004

PRESS RELEASE

**CERC Announces Draft Regulation for Terms and Conditions  
for Electricity Tariff**

The Electricity Act, 2003 came into force with effect from 10<sup>th</sup> June 2003. The Act has been hailed as a revolutionary piece of legislation which promises to usher a new era in India's power sector. The Central Electricity Regulatory Commission (CERC) being the principle regulator in the Electricity Sector took the lead in moving forward to implement the various provisions of the new Law in letter and spirit. The first action in the series was taken on 12<sup>th</sup> June, 2003 by floating a Consultation Paper prepared by the staff of the Commission, on Terms and Conditions of Tariff. The Consultation Paper evoked enthusiastic response from stakeholders, experts, investors, State Commissions, financial institutions etc. Carrying forward the debate further, open consultations were held with all the stakeholders and experts on 10<sup>th</sup>, 11<sup>th</sup> & 12<sup>th</sup> November, 2003.

2. As a result of this exercise, CERC has today issued a new set of draft regulations containing Terms and Conditions of tariff for generation and transmission. Keeping the spirit of the Electricity Act, 2003, the Commission has emphasised the need to move away from the cost plus regulatory regime to a new regime of lighter regulation. The Commission would like all projects to come through competitive bidding route in future to harness the benefits of increased economic efficiency and ensuring that electricity prices are in line with costs. However, it will take sometime before the sector can move to a fully competitive regime. The Commission has urged the Central Government to issue the guidelines for competitive bidding as required under Section 63 of the new Electricity Act. This would remove the need for detailed regulation.

3. Besides, the Commission is aware of the fact that these regulations will also act as guidelines for all the State Commissions in respect of generation and transmission tariff. The Commission has given due consideration to the prevailing conditions of the sector at the state level while framing these regulations.

4. The Electricity Act envisages multi year tariff principles and accordingly Commission's new norms would be applicable for a period of five years i.e. during the period 1.4.2004 to 31.3.2009. This provides enough regulatory certainty to all concerned parties. The Act also envisages that the tariff

parameters should encourage competition, efficiency, economical use of the resources, good performance and optimal investment and at the same time safeguard consumers' interest. All these parameters have been kept in view by the Commission while formulating the norms for different parameters of the generation and transmission sectors.

5. The new terms and conditions will apply to all inter-State Generating and Transmission utilities including NTPC, NHPC, POWERGRID, NEEPCO, Neyveli Lignite Corporation and Satluj Jal Vidyut Nigam. The changeover from intrusive regulation involving detailed scrutiny of various actual costs to light handed regulation based on normative parameters of performance is the hallmark of the proposed new regulation. Regulation based on normative parameters leads to higher efficiencies by creating incentive for the utilities to achieve savings by performing better than the normative benchmarks of performance.

6. The new terms and conditions of tariff will be applicable only to projects taken up on cost plus basis. As regards projects which came up through a transparent tariff based bidding process as per the guidelines of the Central Government, the tariff shall be adopted by the Commission.

7. The salient features of the new regulations are as follows:

- For new projects the capital cost shall be as admitted by the Commission and the normative debt equity ratio would be 70:30. The capital cost and debt equity ratio of all the stations and transmission lines for which tariff has been approved by the Commission prior to 1.4.2004, shall be continued during the next tariff period as well.
- **The return on equity for the CPSUs is pegged at 14% post tax as against the existing 16% post tax. In case of Independent Power Producers (IPPs), the return on equity shall be 16% post tax.** However, in case the Government provides the same payment security mechanism as extended to CPSUs, the return on equity for IPPs shall also be pegged at 14% post tax.
- Depreciation shall be allowed over the fair life of the assets at the rate notified by the Commission. In addition advance against depreciation shall also be allowed to meet debt service obligations and the repayment period for the loan shall be considered as 10 years instead of the existing 12 years.
- Working capital shall be allowed on normative basis and the rate of interest applicable shall be the Short Terms Prime Lending Rate of State Bank of India.
- Income tax on the core activity of the utility shall be reimbursable by the beneficiaries and shall be adjusted subsequently based on the income tax assessment by the IT Authority under the Income Tax Act, 1961.

- The existing provision regarding Development surcharge for taking up new capacity additions shall continue for the next 5 years.
  - Performance benchmark of availability in terms of capacity index has been raised from 85% to 90% for purely run of the river hydro power stations, existing as well as new.
  - Incentive benchmark for thermal generating stations has been raised from a plant load factor of 77% to 80%. Rate of incentive has been increased to 25 paise per unit from existing 21.5 paise per unit.
  - Performance benchmarks of normative auxiliary power consumption and fuel oil consumption have been revised for coal fired power stations.
  - Normative benchmark has been set at 0.3% and 0.8% for transit and handling losses of coal in respect of pit head and rail fed coal based power stations, respectively.
  - Normative benchmarks have been set for operation and maintenance expenses to be payable to generating and transmission utilities.
  - Higher normative efficiency benchmarks in terms of station heat rate have been fixed for existing and new thermal power stations.
  - Rates to be charged for unscheduled deviations from the generation or drawal schedules have been revised upwards with a view to further improving grid discipline.
8. All interested persons have been requested to send their comments on the Draft Regulations by 23.1.2004.
9. The regulations will be finalised and notified well before 1.4.2004 after taking into account the comments of the stakeholders, and they will be valid for a period of five years.
10. These regulations have been published and posted at CERC's web site <http://cercind.org>.

( A.K. Sachan )  
Secretary



**Atria HYDEL POWER LTD**

**PROJECT COST - Projected**

Land Aquisition & Assembly			5
CIIVIL WORKS			792
HYDRO TURBINE AND ACCESSORIES			732
POWER EVACUATION			257
MISC.ASSETS			75
PRELIMINERY & PRE - OPERATIVE			162
IDC			261
CONTINGENCY			153
<b>GRAND TOTAL</b>			<b>2437</b>
TERM LOAN		1706	
EQUITY		731	
<b>GRAND TOTAL</b>			<b>2437</b>

**Atria Hydel Power Ltd**

<b>ASSUMPTIONS - Projected</b>			
INSTALLED CAPACITY (MW)	6.6 .MW		PLF
INSTALLED CAPACITY (MILLION UNITS)	52.56	100%	
ENERGY GENERATION CAPACITY			
Full Capacity based on water flow being above 66 cumecs per day 240 days	19	Mu	
Partial capacity of 2MW based on water flow being above 62 cumecs per day 20 day	34.56		
Total Estimated Energy Capacity	0.96	Mu	
Reliability & safety factor	35.52	Mu	68%
Assumption of Energy available for Sale	70%		
Construction Period	24.864	Mu	47%
Rate of Interest	21 Months		
Interest Tax	15.50%		
Interest Rate Payable by the Company	0.31		
First 5 Year block Zero Tax 2-7 Years	15.80%		
Second 5 Year block 30% rebate 8-12 Year	0%		
Income Tax 1 -2 Years Full tax years assumed	25%		
Selling Price of Energy to KPTCL Current Rate	35%		
Selling price escalation per annum	;2.75%	per Unit	
O & M Charges	5%		
Cost of Equipment	989.01		
O & M Charges assumed	49.45	Lakhs per annum	
O & M E scalation per annum	5%		

**Atria HYDEL POWER LTD**

**PROJECT COST - Actual**

Land Aquisition & Assembly			35
CIIVIL WORKS			1793
HYDRO TURBINE AND ACCESSORIES			921
POWER EVACUATION			94
MISC.ASSETS			3
PRELIMINERY & PRE - OPERATIVE			3
			0
CONTINGENCY/OTHERS			
<b>GRAND TOTAL</b>			<b>2849</b>
TERM LOAN		1843	
EQUITY		1006	
Creditors			
<b>GRAND TOTAL</b>			<b>2849</b>

<b>Atria Hydel Power Ltd</b>								
<b>STATEMENT OF CASH FLOW - Actual</b>								
Year		Pre-op	2	3	4	5	6	7
Financial Year	2000-01	2001-02	2002-03	2003-04	20074-05	2005-06	2006-07	2007-08
		Audited	Audited	Audited	Audited	Provisional	Estimated	Estimated
<b>Sources of Funds</b>								
Profit Before Tax	0.00	-32.92	374.96	10.33	16.45	200.54	112.23	200.78
Capital		1006.00					152.00	
Term Loan		1843.00					560.00	
Carbon credit							346.00	54.00
Creditors		0.00						
Interest on Term Loan		33.00	220.00	232.00	159.00	114.00	117.87	79.50
Depreciation		39.00	547.00	374.00	350.00	209.00	291.28	250.80
<b>Total</b>	<b>0.00</b>	<b>2888.08</b>	<b>1141.96</b>	<b>616.33</b>	<b>525.45</b>	<b>523.54</b>	<b>1579.38</b>	<b>585.08</b>
<b>Application Funds</b>								
Capital Expenditure	0	2849	255	113	2.85		800	
Res/ Inv Funds/Share appl	0	0			65.4			
Repayment of Term Loans	0	0	116	260	434	239	239	239
Interest on Term Loan		33.00	220.00	232.00	159.00	114.00	117.87	79.50
Curent Assets					165.66			
Curent Liabilites			29.39	78.37	35.84			
Taxation	0	0	30	1	2	10	10	10
Dividend				63	31.7	0	0	0
Dividend Tax				8.12	4.14	0	0	0
<b>Total</b>	<b>0</b>	<b>2882</b>	<b>650</b>	<b>756</b>	<b>900</b>	<b>363</b>	<b>1167</b>	<b>329</b>
Surplus/Deficit	0.00	6.08	491.57	-139.88	-374.74	160.54	412.51	256.58
Closing cash Balance	0.00	6.08	497.65	357.77	-16.97	143.57	556.09	812.67
DSCR		1.00	1.76	0.90	0.61	1.44	1.35	1.78
IRR WITH OUT CARBON CREDIT		-2809.92	856.96	502.33	521.00	513.54	-288.62	521.08
7 YEARS IRR		-2%						
IRR WITH CARBON CREDIT		-2809.92	856.96	502.33	521.00	513.54	57.38	575.08
7 YEARS IRR		2%						







**Atria Hydel power Ltd**

**STATEMENT OF TERM LOAN REPAYMENT & INTEREST - Projected**

	Year	OB.Balance	Reapayment	Closing Ba	Interest Per QR	Interest PA
	1	1706		1706		270
	2.1	1706	85	1621	67	
	2.2	1621	85	1536	64	
	2.3	1536	85	1451	61	
	2.4	1451	85	1366	57	
			340			249
	3.1	1366	85	1281	54	
	3.2	1281	85	1196	51	
	3.3	1196	85	1111	47	
	3.4	1111	85	1026	44	196
				0	0	
	4.1	1026	85	941	41	
	4.2	941	85	856	37	
	4.3	856	85	771	34	
	4.4	771	85	686	30	142
				0	0	
	5.1	686	85	601	27	
	5.2	601	85	516	24	
	5.3	516	85	431	20	
	5.4	431	85	346	17	88
				0	0	
	6.1	346	85	261	14	
	6.2	261	85	176	10	
	6.3	176	85	91	7	
	6.4	91	91	0	4	35



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January	2002	0	0	0
February	2002	0	0	0
March	2002	0	0	0
April	2002	0	0	0
May	2002	0	0	0
June	2002	707400	686,133	1,130
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January	2005	5500	5,280	6
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March	2005	37000	35,040	112
April	2005	192550	158,800	596
May	2005	5000	4,800	12
June	2005	0	0	0
July	2005	1963500	1,955,520	4,732
August	2005	4901900	4,601,760	10,534
September	2005	4306850	3,977,280	9,790
October	2005	4288000	4,025,280	9,448
November	2005	3491250	3,241,920	6,800
December	2005	1822300	1,701,120	3,760
January	2006	151200	148,800	117
February	2006	139600	131,520	246
March	2006	409650	390,240	942
April	2006	350750	334,080	143
May	2006	1416750	1,340,160	3,830
June	2006	1434000	1,368,000	4,108
July	2006	5132000	4,829,280	10,837
August	2006	5234750	4,910,880	11,032
<b>Total</b>		<b>114,273,060</b>	<b>110,767,437</b>	<b>261,087</b>