

**SANGAM POWER
GENERATION COMPANY LTD.**

ANNUAL REPORT 2009-10





CHATURVEDI & PARTNERS

Chartered Accountants

212A, Chiranjiv Tower, 43 Nehru Place, New Delhi-110019
Phone : 011-46654665 Fax : 011-46654655
Email : delhi@chaturvedica.com

AUDITORS' REPORT

TO THE MEMBERS OF SANGAM POWER GENERATION COMPANY LIMITED

1. We have audited the attached Balance Sheet of **SANGAM POWER GENERATION COMPANY LIMITED**, as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. 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, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' (the 'Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
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 the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e. On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act;



- xx. The Company has not raised any money by public issue. Accordingly, clause (xx) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

New Delhi
May 25, 2010



For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

R N Chaturvedi

R N CHATURVEDI
Partner
Membership No. 092087

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the year pursuant to a programme for physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- c. Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern status of the Company.
- ii. The Company did not hold any inventory during the year. Accordingly clauses (ii) (a) to (ii) (c) of Para 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (iii) (a) to (iii) (g) of Para 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the year, the Company did not have any transaction for purchase of inventory and / or sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal control system of the Company.
- v. In our opinion and according to the information and explanations given to us, there were no contracts or arrangements, the particulars of which needed to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956.
- vi. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- ix. a. The Company is regular in depositing undisputed statutory dues including income tax, sales tax and cess with the appropriate authorities. Provisions of other statutory dues including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, custom duty and excise duty are not applicable to the Company for the current year.



- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and cess were in arrears as at March 31, 2010 for a period of more than six months from the date they became payable except Value Added Tax dues of Rs. 794,976/-.
- c. According to the information and explanation given to us, there are no dues of income tax and sales tax which have not been deposited on account of any dispute.
- x. The Company has been registered for a period less than five years and is yet to commence commercial operations. Accordingly clause (x) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xi. In our opinion and according to the records of the company examined by us and the information and explanations given to us, the Company has not raised money from any financial institution or bank as at the Balance Sheet date. The Company has not issued any debentures.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly clause (xiii) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiv. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly clause (xiv) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given the guarantee on its assets (as a second charge) for loan taken by Jaiprakash Power Venture Limited (Holding Company) from banks or financial institutions during the year. The company, being a wholly owned subsidiary, terms and conditions are not prejudicial to the interest of the company.
- xvi. The Company has not raised any term loan during the year. Accordingly clause (xvi) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 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 no funds raised on short-term basis which have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly clause (xviii) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xix. The Company does not have any debentures issued and outstanding as at the year end. Accordingly clause (xix) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.



- xx. The Company has not raised any money by public issue. Accordingly, clause (xx) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

New Delhi
May 25, 2010



For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

A handwritten signature in black ink, appearing to read "R N Chaturvedi".

R N CHATURVEDI

Partner

Membership No. 092087

SANGAM POWER GENERATION COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS			
Shareholders Funds	A	1,519,772,000	500,000
Share Capital			
Share Application Money		-	698,478,500
TOTAL SOURCES OF FUNDS		1,519,772,000	698,978,500
APPLICATION OF FUNDS			
Fixed Assets	B	359,812,070	168,798
Gross Block			
Less:- Depreciation		1,950	19,512
		359,810,120	149,286
Pre-operative Expenses	C	924,030,614	38,098,899
Current Assets, Loans and Advances	D	210,535,561	22,252,708
Cash and Bank Balances			
Loans and Advances		881,504,317	651,170,984
		1,092,039,878	673,423,692
Less : Current Liabilities & Provisions	E	854,214,831	12,693,377
Current Liabilities			
Provisions		2,545,551	-
		856,760,382	12,693,377
Net Current Assets		235,279,496	660,730,315
Miscellaneous Expenditure		651,770	-
Profit and Loss Account			
TOTAL APPLICATION OF FUNDS		1,519,772,000	698,978,500

Accounting Policies and Notes to the Accounts
As per our report of even date attached to the Accounts

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For and on behalf of the Board

For CHATURVEDI & PARTNERS
Chartered Accountants

R N Chaturvedi
Partner
Membership No. 092087
Firm Registration No. 307068E



Suren Jain
Director

Rakesh Sharma
Managing Director

Manoj Gaur
Chairman

Place: New Delhi
Date : 25th May, 2010

SANGAM POWER GENERATION COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

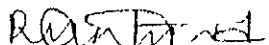
(Amount in Rs.)

	SCHE- DULE	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
INCOME			
Income		-	-
		-	-
EXPENDITURE			
Expenditure		-	-
		-	-
Profit/(Loss) before Tax		-	-
Provision for Income Tax			
Profit/(Loss) for the year after Tax		-	-
Prior Period Expenses (Preliminary Expenses written off)		(651,770)	-
BALANCE CARRIED TO BALANCE SHEET		(651,770)	-

Accounting Policies and Notes to the Accounts
As per our report of even date attached to the Accounts

F For and on behalf of the Board

For CHATURVEDI & PARTNERS
Chartered Accountants

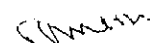


R N Chaturvedi
Partner
Membership No. 092087
Firm Registration No. 307068E





Suren Jain
Director



Rakesh Sharma
Managing Director



Manoj Gaur
Chairman

Place: New Delhi
Date : 25th May, 2010

SANGAM POWER GENERATION COMPANY LIMITED

(Amount in Rs.)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
<u>SCHEDULE-A : SHARE CAPITAL</u>		
Authorised 400,00,00,000 Equity Shares of Rs. 10 each (Previous year 800,000 Equity Shares of Rs. 1000 each)	40,000,000,000	800,000,000
Issued, Subscribed and Paid up 151,977,200 Equity Shares of Rs. 10 each (Previous year 500 Equity Shares of Rs. 1000 each) (Of the above 151,976,600 Equity Shares(Previous year Nil) are held by Jaiprakash Power Ventures Limited- the Holding Company)	1,519,772,000	500,000
TOTAL	1,519,772,000	500,000



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SANGAM POWER GENERATION COMPANY LIMITED

SCHEDULE-B: FIXED ASSETS

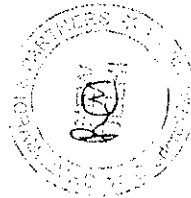
(Amount in Rs.)

S. No.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2009	Additions during the Year	Sale / Adjustment during the Year	As at 31.03.2010	Upto 31.03.2009	For the Year	Sale / Adjustment during the Year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	Land - Freehold	-	359,810,120.00	-	359,810,120.00	-	-	-	-	359,810,120.00	-
2	Furniture & Fixtures	-	1,950.00	-	1,950.00	-	1,950.00	-	1,950.00	-	-
3	Computers	100,300.00	-	100,300.00	-	16,258.00	-	16,258.00	-	-	84,041.00
4	Office and other Equipment	68,498.00	-	68,498.00	-	3,254.00	-	3,254.00	-	-	65,244.00
	Total	168,798.00	359,812,070.00	168,798.00	359,812,070.00	19,512.00	1,950.00	19,512.00	1,950.00	359,810,120.00	149,285.00
	Previous Year (31.03.2009)	-	168,798.00	-	168,798.00	-	19,512.00	-	19,512.00	149,286.00	-

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SANGAM POWER GENERATION COMPANY LIMITED

**SCHEDULE-C : STATEMENT OF PRE-OPERATIVE EXPENSES/
INCIDENTAL EXPENDITURE DURING CONSTRUCTION**

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
Opening Balance	38,098,899.00	23,431,919.00
Advertisement & Publicity	40,088.00	1,003,985.00
Audit Fees	146,480.00	25,000.00
Communication Expenses	13,202.00	37,581.00
Depreciation	8,044.00	19,512.00
Fixed Asset Written Off	143,192.00	-
Front End Fee for Term Loan	848,758,500.00	-
Helipad Expenses	239,085.00	-
Interest & Financial Charges	481,688.00	-
Legal & Professional Charges	20,132,243.00	4,914,467.00
Licence & Application Fees	-	13,200,000.00
Medical Expenses	11,744.00	-
Miscellaneous Expenses	214,184.00	150,667.00
Office & Camp Maintenance Expenses	24,350.00	-
Power, Water & Electricity Charges	110,931.00	-
Printing & Stationery	63,203.00	-
Rent, Rate & Taxes	127,000.00	-
Salary & Wages	3,544,051.00	2,782,129.00
Staff Welfare Expenses	3,394.00	-
Temporary Connection Charges (11 KV)	805,555.00	-
Temporary Connection Charges (33 KV)	15,934,191.00	-
Travelling & Conveyance Expenses	130,862.00	142,747.00
Value Added Tax	794,976.00	-
Vehicle Running & Maintenance Expenses	225,143.00	90,892.00
TOTAL	930,051,005.00	45,798,899.00
Less: Tender Fees	-	7,700,000.00
Less: Interest Received (Gross) 7,914,172 (Tax Deducted at Source Rs. 791,419)	-	-
Less: Income Tax 2,545,551	5,368,621.00	-
Less: Preliminary Expenses charged to Profit and Loss account	651,770.00	-
NET EXPENDITURE CARRIED TO BALANCE SHEET	924,030,614.00	38,098,899.00



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SANGAM POWER GENERATION COMPANY LIMITED

(Amount in Rs.)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
<u>SCHEDULE-D : CURRENT ASSETS, LOANS & ADVANCES</u>		
<u>CASH & BANK BALANCES</u>		
Cash in hand	19,328	-
Balance with Scheduled Banks		22,252,708
- in Current Account	6,653,828	
- in Fixed Deposit Account	203,862,405	-
(Pledged with Govt. Deptt./Banks Rs. 17,990,000, Previous year Nil)	210,535,561	22,252,708
<u>LOANS & ADVANCES</u>		
(Unsecured, Considered good unless otherwise stated)		
Advance Recoverable in Cash or in kind or for value to be received	579,622,973	351,170,984
Interest Accrued	786,382	-
Staff Imprest & Advances	44,543	-
Security Deposit		
-With Govt. Deptt., Public Bodies(NCL)	300,000,000	300,000,000
-With Others	259,000	-
Tax Dedecuted at Source	791,419	-
TOTAL	881,504,317	651,170,984
<u>SCHEDULE-E : CURRENT LIABILITIES & PROVISIONS</u>		
<u>Current Liabilities</u>		
Sundry Creditors		
Due to Micro, Small Scale, Medium Scale enterprises	767,950,706	12,648,666
Due to Others	577,805	40,000
Expenses Payable	85,686,320	4,711
Other Liabilities	854,214,831	12,693,377
<u>Provisions</u>		
Provision for Income Tax	2,545,551	-
TOTAL	2,545,551	-



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SANGAM POWER GENERATION COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in Rs.)

PARTICULARS	For the year ended 31.03.2010	For the year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(359,812,070)	-
(Increase)/Decrease in Pre-Operative/ Incidental Expenses under construction and capital advances	(277,275,778)	(324,648,394)
Interest Received	4,577,202	-
NET CASH GENERATED (USED IN) INVESTING ACTIVITIES	(612,197,729)	(324,648,394)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital	820,793,500	-
Proceeds from Share Application Money	-	337,623,500
NET CASH FROM FINANCING ACTIVITIES	820,793,500	337,623,500
Effects of exchange differences on translation of foreign currency cash and cash equivalents	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	208,595,771	12,975,106
Cash and cash equivalents at the beginning of the year	22,252,708	9,277,602
Cash and cash equivalents at the end of the year	210,535,561	22,252,708

Note :

1. The Cash Flow Statement has been as per the indirect method as set out in the Accounting Standard (AS-3) on cash Flow Statement issued under the Companies Accounting Standards Rules, 2006.

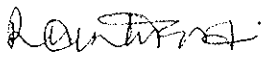
2. (a) The Cash and Cash equivalents comprise of the followings .

(Amount in Rs.)

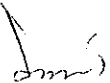
PARTICULARS	Amount as at March 31, 2010	Amount as at March 31, 2009
Cash in Hand	19,328	0
Balance with Scheduled Banks :-		
In Current Account	6,653,828	22,252,708
In Fixed Deposit	203,862,405	0
	210,535,561	22,252,708

(b) Cash and Cash Equivalents in fixed deposit includes security deposit with the Government authorities.

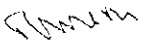
For CHATURVEDI & PARTNERS
Chartered Accountants

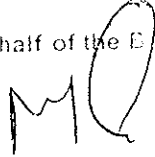

R N Chaturvedi
Partner
M.No. 092087
Firm Registration No. 307068E




Suren Jain
Director

For and on behalf of the Board


Rakesh Sharma
Managing Director


Manoj Gaur
Chairman

Place New Delhi
Date 25th May, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details

Registration No.	:	032843	State Code	:	55
Balance Sheet date	:	31.03.2010			

2 Capital Raised During the Year (Amount in Rs. in Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	1,519,772

3 Position of mobilisation and deployment of funds (Amount Rs. in Thousands)

Total Liabilities		1,519,772	Total Assets	:	1,519,772
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Sources of Funds

Paid-up Capital	:	1,519,772	Secured Loans	:	-
Reserves & Surplus	:	-	Unsecured Loans	:	-

Application of funds

Net Fixed Assets	:	359,810	Accumulated Loss	:	652
Pre-operative Expenditure	:	924,031			
Net Current Assets	:	235,279			

4 Performance of Company (Amount Rs. in Thousands)

Turnover	:	-	Total Expenditure	:	-
Profit Before Tax	:	-	Profit After Tax	:	-

5 Generic Names of Three principal Products of the Company.

Item Code No. (ITC Code)		N.A.
Product Description		N.A.

6 Earning Per Share

As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants

For and on behalf of the Board

R N Chaturvedi
R N Chaturvedi
Partner

Membership No. 092087
Firm Registration No. 307068E



Suren Jain
Suren Jain
Director

Rakesh Sharma
Rakesh Sharma
Managing Director

Manoj Gaur
Manoj Gaur
Chairman

Place: New Delhi
Date : 25th May, 2010

SANGAM POWER GENERATION COMPANY LIMITED

SCHEDULE: F

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. Significant Accounting Policies:

a) Basis of Preparation of Financial Statements

- (i) The financial statements are based on the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP), comprising of mandatory Accounting Standards notified in section 211 (3C) and other provisions of the Companies Act, 1956.
- (ii) Accounting policies not specifically referred to otherwise are being consistently followed and are in accordance with generally accepted accounting principles.

b) Revenue Recognition

- (i) Revenue/ Income and Costs/ Expenditure are accounted for on accrual basis as they are earned or incurred.

c) Fixed Assets

Fixed Assets are stated at Cost of procurement or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings and financing cost upto the date of commissioning.

d) Depreciation

- (i) Depreciation is provided on straight line method at the rates specified in Schedule –XIV to the Companies Act, 1956.
- (ii) Premium on Leasehold Land is amortised over the period of Lease.

e) Expenditure during Construction Period

Expenditure incurred on project/assets during construction/implementation is capitalized and apportioned to project/assets on commissioning of the Project.

f) Foreign Currency Transactions

- (i) Transactions in Foreign Currency are recorded in the Books of Accounts at the rate of exchange prevailing on the date of transaction.
- (ii) All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in Indian Currency at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Foreign Exchange gain/loss on fixed assets is being adjusted against the cost of assets. Foreign Exchange gain/loss other than fixed assets is being charged to Profit & Loss Account.



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g) Investments

Investments are stated at Cost and where there is permanent diminution in the value of investments a provision is made wherever applicable.

h) Inventory

Inventory of Stores and Spares are valued at weighted average cost method.

i) Employees Benefits

Employees Benefits are provided in the books as per AS-15 (revised) in the following manner:

- a) Provident Fund and Pension contribution- as a percentage of salary/wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- b) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

j) Borrowing Costs

Borrowing costs attributable to the procurement/construction of fixed assets are capitalised as part of the cost of the respective assets upto the date of commissioning. Other borrowing costs are recognized as expense during the year in which they are incurred.

k) Taxes on Income

Provision for current tax is being made after taking into consideration benefits admissible to the company under the provisions of the Income Tax Act, 1961.

Deferred tax liability is computed as per Accounting Standard (AS-22). Deferred Tax Asset and Deferred Tax Liability are computed by applying rates and tax laws that have been enacted upto the Balance Sheet date.

l) Amortization of Miscellaneous expenditure

Preliminary Expenditure is written off as per the provisions of AS-26 in the first year of the operation.

m) Provisions, Contingent Liabilities and Contingent Assets (AS-29)

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and if is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



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ii. **Notes on Accounts**

1. Sangam Power Generation Company Limited (SPGCL, or the 'Company') is setting up a 1980 MW, domestic coal based thermal power project at Tehsil Karchhana, District Allahabad, Uttar Pradesh. The Company was originally promoted by Uttar Pradesh Power Corporation Limited (UPPCL) for development of the proposed thermal power project. Pursuant to Case-2 bidding process in accordance with "Competitive Bidding Guidelines", Jaiprakash Associates Limited (JAL) was identified as the selected bidder for owning, implementing and operating the project. Jaiprakash Power Ventures Limited (JPVL), an affiliate of JAL, was later accorded approval to purchase 100% share capital of the Company (SPGCL). Accordingly, share purchase agreement was executed among JPVL, JAL, SPGCL and UPPCL on July 23, 2009 whereby JPVL purchased 100% equity shares of SPGCL from UPPCL. As such the Company became 100% subsidiary of JPVL since 23rd July, 2009 and the Company has obtained the Certificate of Commencement of Business on 30th December 2009.

2. **Contingent Liabilities:**

Particulars	Amount (Rs.)
Outstanding amount of Bank Guarantee (against stamp duty exemption)	17,990,000
In respect of second charge on the assets of the Co. in favor of the Bank for financial assistance to Jaiprakash Power Ventures Limited	10,00,00,00,000
Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	1,222,727

3. In the opinion of the Board of Directors, the "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.
4. Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Department of Company Affairs (As certified by the Management):

S.No.	Particulars	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
a)	The principal amount and interest due thereon remaining unpaid to any supplier -Principal Amount -Interest Amount	Nil Nil	Nil Nil
b)	The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the supplies beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed during year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil



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e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
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5. Related Party Disclosures

List of Related Parties and Relationship

i. Holding Company

Jaiprakash Power Ventures Limited

ii. Ultimate Holding Company

Jaiprakash Associates Limited

iii. Fellow Subsidiaries

- (a) Jaypee Powergrid Limited
- (b) Bina Power Supply Company Limited
- (c) Jaypee Arunanchal Power Limited
- (d) Prayagraj Power Generation Company Limited

iv. Fellow Subsidiaries of the Holding Company

- (a) Jaypee Karcham Hydro Corporation Limited
- (b) Jaypee Infratech Limited
- (c) Himalayan Expressway Limited
- (d) JPSK Sports Private Limited
- (e) Jaypee Ganga Infrastructure Corporation Limited
- (f) Madhya Pradesh Jaypee Minerals Limited
- (g) Bhilai Jaypee Cement Limited
- (h) Gujarat Jaypee Cement and Infrastructures Limited
- (i) Bokaro Jaypee Cement Limited
- (j) Jaypee Agra Vikas Limited (w.e.f. November 16, 2009)

v. Associate Companies/Concerns

- (a) Jaypee Ventures Private Limited
- (b) Jaypee Development Corporation Limited (subsidiary of Jaypee Ventures Private Limited)
- (c) JIL Information Technology Limited (subsidiary of Jaypee Ventures Private Limited)
- (d) Gaur & Nagi Limited(subsidiary of JIL Infomation Technology Limited)
- (e) Jaiprakash Kashmir Energy Limited
- (f) Indesign Enterprises Pvt. Limited(subsidiary of Jaypee Ventures Private Limited) (w.e.f. 24.08.2009)
- (g) Sonebhadra Minerals Pvt. Limited
- (h) RPJ Minerals Pvt. Limited



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- (i) Jaypee Petroleum Private Limited(subsidiary of Jaypee Ventures Private Limited)
- (j) Jaypee Hydro-Carbons Private Limited(subsidiary of Jaypee Ventures Private Limited)
- (k) Tiger Hills Holiday Resort Private Limited(subsidiary of Jaypee. Development Corporation Limited) (w.e.f. 27.10.2009)
- (l) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 01.05.2009)
- (m) Vasujai Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (n) Samsun Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (o) Sunvin Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (p) Manumank Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (q) Arman Estate Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (r) Suneha Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (s) Pee Gee Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (t) Vinamra Housing & Constructions Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (u) Sarveshwari Stone Products Private Limited(subsidiary of RPJ Minerals Private Limited) (w.e.f. 23.10.2009)
- (v) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (w) MP Jaypee Coal Limited (w.e.f. 14.05.2009)
- (x) MP Jaypee Fields Limited (w.e.f. 04.01.2010)
- (y) Jaypee Spa Infocom Limited (subsidiary of Jaypee Ventures Private Limited) (Upto 25.02.2010)

vi. Key Management Personnel

- | | | |
|-----|------------------|----------|
| (a) | Shri Manoj Gaur | Director |
| (b) | Shri S.K. Sharma | Director |
| (c) | Shri Sameer Gaur | Director |
| (d) | Shri Suren Jain | Director |

The Following are the details of transactions with the related parties:

Particulars	For the Year ended March 31, 2010 Rupees	For the Year ended March 31, 2009 Rupees
	NIL	NIL

6. The company is in the process of development/ construction of the project and has not yet commenced commercial operations. Preliminary Expenses incurred during the construction period hitherto classified as Miscellaneous Expenditure under the head Preliminary Expenditure. From the current year, such expenses are charged to Profit and Loss account. The profit and loss account has been drawn to comply with the provisions of the Companies Act, 1956 and the applicable Accounting Standards for the purpose



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of charging off the preliminary expenditure. The balance of preliminary expenses of Rs. 651,770 as on March 31, 2009 has been charged to profit and loss account for the year as prior period expenses.

7. As Commercial operations have not yet commenced, therefore there is no deferred tax liability as on March 31, 2010.
8. Additional information pursuant to paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956.


<u>Particulars</u>	<u>Capacity MW</u>
Licensed Capacity	1,980 MW

The nature of Company's business/ activities during the year is such that other additional information of Part II of Schedule VI of the Companies Act, 1956 are not applicable.

9. Previous year's figures have been regrouped/rc-arranged wherever considered necessary to make them conform to the figures for the period.

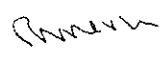
As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants

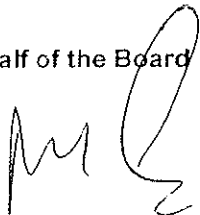

R N Chaturvedi
Partner
Membership No. 092087
Firm Registration No. 307068E




Suren Jain
Director


Rakesh Sharma
Managing Director

For and on behalf of the Board


Manoj Gaur
Chairman

Place: New Delhi
Date : 26th May, 2010