



Dheeru Powergen Limited

BOARD OF DIRECTORS

- Mr. Pradeep Singh
Managing Director & Chairman
- Mr. Chandrasekar Suppiah
- Mr. Hamdan Mohamad
- Mr. A. K. T. Chari
- Mr. Sunil Kakar
- Dr. Rajeev Uberoi
- Mr. Athar Shahab
- Mr. Victor Edmond McCluskey
Alternate Director to Mr. Chandrasekar Suppiah
- Mr. Venkatachalam Gedupudi
Alternate Director to Mr. Hamdan Mohamad

AUDITORS

- M/s. K. S. Rao & Associates
Chartered Accountants

PRINCIPAL BANKERS

- HDFC Bank Limited

REGISTERED OFFICE

4th Floor, Central Plaza, #6-3-902/A, Raj Bhavan Road,
Somajiguda, Hyderabad – 500 082, Andhra Pradesh
TEL +91 22 42222000
FAX +91 22 26540354

TO THE MEMBERS

Your directors have pleasure in presenting the Eighth Annual Report together with the audited accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

	FOR THE YEAR ENDED MARCH 31, 2011	FOR THE YEAR ENDED MARCH 31, 2010
Total Income	2,437,934	9,511,633
Less: Total Expenses	7,113,134	21,939,810
Profit/(Loss) before Tax	(4,675,201)	(12,428,177)
Less: Provision for Tax	-	2,505,975
Profit/(Loss) after Tax	(4,675,201)	(14,934,152)
Add/Less: Profit/(Loss) brought forward	(14,042,823)	891,329
Loss carried forward	(18,718,023)	(14,042,823)

DIVIDEND

The Directors do not recommend any dividend for the year ended March 31, 2011.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted public deposits under Section 58-A of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of the Articles of Association and Companies Act, 1956, Mr. Chandrasekar Suppiah and Mr. Hamdan Mohamad would retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board, at its meeting held on July 21, 2010, approved the appointment of Mr. Venkatachalam Gedupudi as an Alternate Director for Tan Sri Hamdan Mohamad and Mr. Victor Edmond McCluskey as an Alternate Director for Senator Datuk Chandrasekar Suppiah.

During the year, Dr. Rajiv B. Lall resigned from the Directorship of the Company with effect from April 25, 2011. The Board wishes to place on record its sincere appreciation for his guidance and valuable contribution to the Company.

The Board of Directors of the Company appointed Mr. Pradeep Singh as the Managing Director & CEO of the Company w.e.f. April 01, 2011. The said appointment is subject to approval of the Members.

At the Board Meeting of the Company held on April 25, 2011, the Board approved the appointment of Dr. Rajeev Uberoi and Mr. Sunil Kakar as Additional Directors who would hold the office up to the date of ensuing Annual General Meeting.

At the Board Meeting of the Company held on December 1, 2010, the Board approved the appointment of Mr. Vineet Jain as a Company Secretary of the Company.

AUDITORS

M/s. K. S. Rao & Associates, Chartered Accountants will retire as the statutory auditors of the Company at the ensuing Annual

General Meeting. The Board at its meeting held on April 25, 2011 has proposed their re-appointment as Statutory Auditors to audit the accounts of the Company for the financial year ending March 31, 2012.

M/s. K. S. Rao & Associates, the retiring Auditors, have confirmed that their re-appointment, if made, would be in conformity with the provisions of Sections 224 and 226 of the Companies Act, 1956 as also indicated their willingness to be re-appointed. You are requested to consider their re-appointment.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There was no income in Foreign currency during the year whereas particulars regarding foreign exchange expenditure are furnished at item no. 5(b) in the notes to accounts. Since, the Company has not started any manufacturing facilities, the other particulars in the Companies (Disclosure of Particulars as required under the Report of the Board of Directors) Rules, 1998 are not given in this report.

PERSONNEL AND OTHER MATTERS

There are no employees who are in receipt of remuneration of ₹ 6,000,000/- or more per annum, if employed throughout the financial year or ₹ 500,000/- or more per month, if employed for a part of the financial year hence the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not provided.

Since the Company has not started any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998, are not given in this report.

SHAREHOLDERS UPDATES

The Company was converted into a public limited company vide the Special Resolution passed by the Members in the Extra Ordinary General Meeting of the Company held on July 21, 2010. Consequently the name of the Company was changed from "Dheeru Powergen Private Limited" to "Dheeru Powergen Limited" by deletion of the word "Private" and a new set of regulations were approved and adopted as the Articles of Association of the Company in substitution for and the exclusion of entire Articles of Association of the Company consequent to conversion of Company into a Public Limited Company.

The Company had received the Fresh Certificate of Incorporation consequent to Change of Name on conversion to public limited company dated November 24, 2010.

During the year, Mr. Gurdeep Singh resigned from the post of CEO of the Company with effect from April 15, 2010. The Board wishes to place on record its sincere appreciation for his guidance and valuable contribution to the Company.

During the year, the Company has issued 550,008 Zero Coupon Compulsorily Convertible Debentures of ₹ 100/- each to IDFC Projects Limited and 29,599 Zero Coupon Compulsorily Convertible Debentures of ₹ 100/- each to Ranhill Dheeru Singapore Pte Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and the profit or loss of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities; and
- they have prepared the annual accounts on a going concern basis.

COMPLIANCE CERTIFICATE

Pursuant to the provisions of Section 383A(1) of the Companies Act, 1956, a certificate from M/s. Bhandari & Associates, Practicing Company Secretaries, certifying that the Company has complied with all applicable provision of the Companies Act, 1956 is attached herewith.

ACKNOWLEDGEMENTS

The Directors also express their gratitude for the unstinted support and guidance received from Infrastructure Development Finance Company Limited and other group companies, National Highway Authority of India and Gujarat Government.

The Board would also like to express their sincere thanks and appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PRADEEP SINGH

Chairman & Managing Director

Mumbai

April 25, 2011

(Pursuant to Section 383A of the Companies Act, 1956)

Corporate Identity Number (CIN):
U40109AP2003PLC040899

To the Members of DHEERU POWERGEN LIMITED

(formerly known as DHEERU POWERGEN PRIVATE LIMITED)

We have examined the registers, records, books and papers of 'DHEERU POWERGEN LIMITED' (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we hereby certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act, and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies under the Act and the rules made thereunder.
3. The Company, being a 'Public Limited Company', comments under provisions of section 3(1)(iii) in respect of 'Private Limited Company' is not required.
4. The Board of Directors duly met 5 (Five) times respectively on April 15, 2010, July 21, 2010, October 1, 2010, January 24, 2011 and January 31, 2011 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The annual general meeting for the financial year ended on March 31, 2010 was held on July 22, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held during the Financial Year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on allotment of securities i.e. Zero Coupon Compulsorily Convertible debentures and on lodgement thereof for transfer in accordance with the provision of the Act. Further there was no transfer and transmission of securities during financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company has no amount payable in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Alternate Directors has been duly made. There was no appointment of Additional Director and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has obtained necessary approvals of the Registrar of Companies. Further the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has issued 579,607 Zero Coupon Compulsorily Convertible debentures during the financial year. Further the Company has not issued any shares or other securities during the financial year. Form 23 for this resolution is yet to be filed with Registrar of Companies.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

24. The amount borrowed by the Company during the financial year ending March 31, 2011 is within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened extraordinary general meeting. Form 23 for this resolution is yet to be filed with Registrar of Companies.

25. The Company has not made any loans, investment or advances or given guarantees or provided securities to other bodies corporate and consequently no entry has been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny and complied with the provisions of the Act.

29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.

30. The Company has altered its Articles of Association during the financial year and complied with the provisions of the Act.

31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company has deposited contribution towards the Provident Fund during the financial year.

FOR BHANDARI & ASSOCIATES

Company Secretaries

S. N. BHANDARI

(Proprietor)

C.P. No. 366

Mumbai

April 25, 2011

ANNEXURE – A

Registers as maintained by the Company;

1. Register of Members under Section 150.
2. Register of Contracts under Section 301
3. Register of Directors, Managing Director, Manager and Secretary under Section 303.
4. Register of Directors' Shareholdings under Section 307.
5. Books of Accounts under Section 209.
6. Minutes Book of Board Meetings under Section 193(1).
7. Minutes Book of General Meeting under Section 193(1).
8. Register of Directors' Attendance at the Board Meeting.
9. Register of Members' Attendance at the General Meeting.

Annexure – B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on March 31, 2011:

SR. NO.	FORM NO./ RETURN	FILED UNDER SECTION	FOR	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME YES/NO	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEE PAID YES/NO
1.	Form 66	383A	Compliance and Record 2009-10	20/08/10	Yes	N.A.
2.	Form 23AC & ACA	220	Compliance and Record 2009-10	20/08/10	Yes	N.A.
3.	Form 23	192	Registration of resolution(s) and agreement	20/08/10	Yes	N.A.
4.	Form 20B	159	Compliance and Record 2009-10	21/09/10	Yes	N.A.
5.	Form 62	44(1)(b)	For submission of documents with the Registrar	15/10/10	Yes	N.A.
6.	Form 32	303	Appointment of Alternate Director	21/10/10	Yes	N.A.
7.	Form 32	303	Appointment of Company Secretary	01/03/11	No	Yes

To The Members of Dheeru Powergen Limited

We have audited the attached Balance Sheet of DHEERU POWERGEN LIMITED as at March 31, 2011, the annexed Profit and Loss Account for the year ended on that date. The 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.

1. 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 misstatements. 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 the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

2. As required by Companies (Auditor's Report) Order, 2003 (CARO) and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3. Further to our comments in the annexure referred to 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 purpose of our audit;
- (b) In our opinion proper books of account, as required by law have been kept by the Company so far as it appears from our examination of the books of the Company;
- (c) The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report is in agreement with the books of accounts of the Company;

- (d) In our opinion, the Balance Sheet and 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 Companies Act, 1956;
- (e) Based on the representations made by the Directors as on March 31, 2011 and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at March 31, 2011, *prima facie* disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with the Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i. In the case of Balance Sheet, the state of affairs of the Company as on March 31, 2011.
 - ii. In the case of Profit and Loss Account the loss for the year ended as on March 31, 2011.
 - iii. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR K. S. RAO & ASSOCIATES

Chartered Accountants

K. SRINIVAS RAO

Proprietor

(Membership No. 213480)

Delhi

April 25, 2011

(Referred to in Paragraph 2 of our Auditors' Report of even date on the financial statements for the year ended March 31, 2011 of Dheeru Powergen Limited)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- (i) (a) According to the information and explanations given to us the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us the Company has physically verified during the year its fixed assets. We have been informed that no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us the Company has not disposed of substantial part of fixed assets during the year, which will affect its status as going concern.
- (ii) (a) As per the books of account and information provided to us, there were no Inventories in the Company during the year, as such the physically verification by the Management during the year at reasonable intervals does not arise.
- (b) As there were no Inventories during the year, our opinion on the procedures of physical verification of inventory followed by the Management does not arise.
- (c) As there were no Inventories during the year, our opinion on maintenance of proper record of inventory, the discrepancies noticed on physical verification with books of accounts, etc. does not arise.
- (iii) According to the information and explanations given to us the Company has not granted/taken any loan, secured or unsecured to/from the parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion there are 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 goods and services. In our opinion according to the information and explanations given to us there is no continuing failure to correct major weaknesses in internal control during the year.
- (v) (a) In our opinion and according to the information and explanations given to us the contracts or arrangements that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956 have been properly so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, during the year under review the Company has not accepted any deposits from the public within the purview of Section 58A of the Companies Act, 1956 and Rules made thereunder.
- (vii) In our opinion the Company has an in-built internal audit system. In our opinion the scope and coverage of the internal audit is commensurate with the size of the Company and nature of its business.
- (viii) In our opinion and according to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records by the Company as specified in sub-section (1) of Section 209 of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us and according to the books and records examined by us except in some instance, the Company has been generally regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales Tax, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information furnished to us and as per records of the Company examined by us there were no dues, as at the Balance Sheet date, of Sales Tax/Income Tax/Customs Tax/Excise Duty/Service Tax/Cess that have not been deposited on account of any dispute.
- (x) In our opinion and according to the information and explanations given to us and according to the books of account examined by us there are accumulated losses at the end of the financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions, banks.
- (xii) According to the information and explanations given to us by the management and according to the records of the Company examined by 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 the information and explanations furnished to us the Company is not a chit, nidhi or mutual benefit fund/society.
- (xiv) According to the information and explanations furnished to us the Company is not dealing in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations furnished to us the term loans have been applied for the purpose for which they were raised.

(xvii) On the basis of an overall examination of the Balance Sheet of the Company, we are of the opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investments.

(xviii) According to the information and explanations furnished to us the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year under review.

(xix) According to the information and explanations given to us the Company has issued the Zero Coupon Compulsorily Convertible debentures during the year.

(xx) The Company has not raised any money by public issues during the year and hence commenting under this clause does not arise.

(xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

FOR K. S. RAO & ASSOCIATES

Chartered Accountants

K. SRINIVAS RAO

Proprietor

(Membership No. 213480)

Delhi

April 25, 2011

BALANCE SHEET

AS AT MARCH 31, 2011

		₹	₹	₹
	SCHEDULE		AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		19,729,000	19,729,000
Loan Funds				
Unsecured	2		498,238,100	245,277,400
Total			517,967,100	265,006,400
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3		97,711,046	51,344,354
Less: Depreciation and Amortisation			791,567	98,978
Net Block			96,919,479	51,245,376
Pre-operative Expenses pending for allocation	4		416,232,597	93,522,744
Current Assets, Loans and Advances				
Cash and Bank balances	5	20,076,405		128,723,728
Loans and Advances	6	16,409,159		6,858,157
		36,485,564		135,581,885
Less: Current Liabilities and Provisions	7			
Current Liabilities		44,698,644		26,880,453
Provisions		5,689,918		2,505,975
		50,388,562		29,386,428
Net Current Assets/(Liabilities)			(13,902,998)	106,195,457
Profit and Loss Account			18,718,023	14,042,823
Total			517,967,100	265,006,400
Notes forming part of the Accounts	12			

Schedules 1 to 12 form an integral part of the Accounts

IN TERMS OF OUR REPORT OF EVEN DATE

FOR K. S. RAO & ASSOCIATES
Chartered Accountants

K. SRINIVAS RAO
Proprietor
(Membership No. 213480)

Delhi | April 25, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ATHAR SHAHAB
Director

PRADEEP SINGH
Director

VINEET JAIN
Company Secretary

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

		₹	₹
	SCHEDULE ↘	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
INCOME			
Operating and Other Income	8	2,437,934	9,511,633
		2,437,934	9,511,633
EXPENDITURE			
Staff Expenses	9	1,936,334	3,202,571
Establishment Expenses	10	565,552	756,418
Other Expenses	11	3,918,660	17,745,557
Preliminary Expenses		-	199,800
Depreciation and Amortisation		692,588	35,464
		7,113,134	21,939,810
LOSS BEFORE TAX			
Provision for Tax		(4,675,201)	(12,428,177)
- For Income Tax		-	2,505,975
LOSS AFTER TAX			
		(4,675,201)	(14,934,152)
Balance brought forward		(14,042,823)	891,329
LOSS CARRIED TO BALANCE SHEET			
		(18,718,023)	(14,042,823)
EARNINGS PER SHARE (FACE VALUE ₹10)			
Basic		(467.52)	(1,493.42)
Diluted		(1.87)	(134.79)
Notes forming part of the Accounts	12		

Schedules 1 to 12 form an integral part of the Accounts

IN TERMS OF OUR REPORT OF EVEN DATE

FOR K. S. RAO & ASSOCIATES
Chartered Accountants

K. SRINIVAS RAO
Proprietor
(Membership No. 213480)

Delhi | April 25, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ATHAR SHAHAB
Director

PRADEEP SINGH
Director

VINEET JAIN
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(4,675,201)	(12,428,177)
Adjustments for:		
Depreciation	692,588	35,464
Preliminary expenses written off	-	199,800
Operating loss before Working Capital Changes	(3,982,613)	(12,192,913)
Changes in:		
Current Assets and Loans and Advances	(9,551,002)	90,773
Current Liabilities	21,002,137	20,737,199
Cash generated from Operations	7,468,522	8,635,059
Taxes Paid (Net)	-	(2,505,975)
NET CASH USED IN OPERATING ACTIVITIES (A)	7,468,522	6,129,084
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Preoperative expenses pending for allocation	(369,076,545)	(61,134,407)
NET CASH USED IN INVESTING ACTIVITIES (B)	(369,076,545)	(61,134,407)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Refund of share application money	-	(184,997,326)
Proceeds from Borrowings	252,960,700	245,277,400
NET CASH FROM FINANCING ACTIVITIES (C)	252,960,700	60,280,074
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	(108,647,323)	5,274,751
Cash and cash equivalents as at the beginning of the year (as per Schedule 5)	128,723,728	123,448,977
Cash and cash equivalents as at the end of the year (as per Schedule 5)	20,076,405	128,723,728
	(108,647,323)	5,274,751

IN TERMS OF OUR REPORT OF EVEN DATE

FOR K. S. RAO & ASSOCIATES
Chartered Accountants

K. SRINIVAS RAO
Proprietor
(Membership No. 213480)

Delhi | April 25, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ATHAR SHAHAB
Director

PRADEEP SINGH
Director

VINEET JAIN
Company Secretary

SCHEDULE 1 Share Capital

	₹	
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
AUTHORISED:		
50,000 Equity Shares of ₹ 10/- each	500,000	500,000
495,000 Preference Shares of ₹ 100/- each	49,500,000	49,500,000
	50,000,000	50,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
10,000 (Previous Year 10,000) Equity Shares of ₹ 10 each fully paid-up	100,000	100,000
196,290 (Previous Year 196,290) Preference Shares of ₹ 100 each fully paid-up	19,629,000	19,629,000
	19,729,000	19,729,000

SCHEDULE 2 Loan Funds (Unsecured)

	₹	
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Debentures (Convertible)	303,238,100	245,277,400
The Company has issued 3,032,381 (Previous year 2,452,774) fully paid-up Zero Coupon compulsorily Convertible Debentures of ₹ 100 each, these debentures will be converted to equity in 5 years from the date of issuance or the completion of Milestone IV, whichever is earlier.		
Debenture Application Money	195,000,000	-
	498,238,100	245,277,400

SCHEDULE 3 Fixed Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK		
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
INTANGIBLE										
Computer Software	-	426,311	-	426,311	-	126,601	-	126,601	299,710	-
TANGIBLE										
Freehold Land	50,646,516	4,000	-	50,650,516	-	-	-	-	50,650,516	50,646,516
Leasehold Land	-	45,058,537	-	45,058,537	-	-	-	-	45,058,537	-
Furniture and Fittings	211,246	74,460	-	285,706	5,996	146,282	-	152,278	133,428	205,250
Office Equipment	467,392	213,577	-	680,969	91,867	218,222	-	310,089	370,880	375,525
Computer Hardware	19,200	589,807	-	609,007	1,115	201,483	-	202,599	406,408	18,085
Total	51,344,354	46,366,692	-	97,711,046	98,978	692,588	-	791,567	96,919,479	51,245,376
Previous Year	16,110,303	35,234,051	-	51,344,354	63,514	35,464	-	98,978	51,245,376	-

SCHEDULE 4 Pre-operative Expenses pending for Allocation

	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Brought Forward from Previous Year	93,522,744	67,622,388
Advertisement and Publicity	4,360	777,840
Bank Guarantee Processing Charges	5,088,709	-
Bank Guarantee Commission Expenses	34,691,990	10,157,446
Postage, Telephone and Fax	36,077	-
Professional Fees	23,795,883	10,558,083
Miscellaneous Expenses	7,837	125,000
Printing and Stationery	104,020	-
Books and Periodicals	50,996	-
Project Development Expenses	-	969,614
Salaries and Wages including contribution to Provident Fund	19,847,469	-
Insurance for Employees	175,844	-
Rent for Land	814,648	-
Soil Testing Expenses	199,234	-
Training and Seminar Expenses	125,906	-
Travelling & Conveyance	5,011,058	843,594
Construction of 33 KV Line	5,000	-
Survey Expenses	-	621,155
Data Entry Charges	84,000	-
Staff Welfare	169,820	-
Interest	-	1,442,424
CSR Expenses	666,284	100,000
Loan Processing Fees	231,801,293	-
Meeting Expenses	29,425	404,788
FBT 2008-09	-	(99,588)
	416,232,597	93,522,744

SCHEDULE 5 Cash and Bank Balances

	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Cash	3,289	47,948
Balance with Scheduled Banks		
- In Current Accounts	5,073,116	6,508,729
- In Deposit Account	15,000,000	122,167,051
	20,076,405	128,723,728

SCHEDULE 6 Loans and Advances (Unsecured, Considered Good)

	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Advance against execution of 2 Nos. 400KV bays at WR Pooling Station	10,000,000	-
Advances against Land	-	4,247,805
Advances recoverable in cash or in kind or for value to be received	369,060	94,309
Advance payment of Fringe Benefit Tax	10,068	10,068
Advance payment of Taxes	2,749,178	2,505,975
Security Deposit	3,280,853	-
	16,409,159	6,858,157

SCHEDULE 7 Current Liabilities and Provisions		
	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
LIABILITIES		
Sundry Creditors (See Schedule 12 Note 8)	36,671,105	11,640,266
Provision for Expenses	2,260,941	-
Other Liabilities	5,766,598	15,240,187
	44,698,644	26,880,453
PROVISIONS		
Provision for Income Tax	2,505,975	2,505,975
Gratuity and Bonus Payable	3,183,943	-
	5,689,918	2,505,975

SCHEDULE 8 Operating and Other Income		
	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
INTEREST		
(Tax Deducted at Source ₹ 243,314; Previous year ₹ 969,162)	2,437,869	9,081,632
Tender Income	-	400,000
Miscellaneous Income	64	30,001
	2,437,934	9,511,633

SCHEDULE 9 Staff Expenses		
	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Salaries	1,707,466	3,062,484
Staff Welfare Expenses	168,191	140,087
Contribution to Provident Fund	60,677	-
	1,936,334	3,202,571

SCHEDULE 10 Establishment Expenses		
	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Rent	519,500	415,000
Rates and Taxes	-	267,946
Electricity Expenses	46,052	73,472
	565,552	756,418

SCHEDULE 11 Other Expenses		
	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Travelling and Conveyance	2,112,884	5,871,947
Postage, Telephone and Fax	481,769	119,827
Printing and Stationery	228,104	113,041
Professional Fees	360,921	9,557,122
Office Maintenance Expenses	-	109,524
Advertisement and Publicity Expenses	-	125,856
Business Development Expenses	-	76,239
Miscellaneous Expenses	529,395	1,374,117
Auditors' Remuneration (See Schedule 12 Note 3)	182,358	85,000
Books and Periodicals	8,842	-
Bank Charges	4,302	23,136
Insurance Expenses	10,085	-
Interest	-	289,748
	3,918,660	17,745,557

1 Significant Accounting Policies

A. Accounting Convention

These accounts have been prepared in accordance with historical cost convention, applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

B. System of Accounting

The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Fixed Assets

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

D. Depreciation

TANGIBLE ASSETS

Depreciation on Fixed Assets, excluding certain electronic items, is provided on the written down value method, at the rates prescribed by Schedule XIV of the Companies Act, 1956. Certain electronic items are depreciated over a period of two years on straight line method based on the Management's estimate of the useful life of assets. Depreciation on additions during the year is provided on a pro-rata basis. Assets costing less than ₹ 5,000 each are written off in the year of capitalisation.

INTANGIBLE ASSETS

Intangible assets consisting of computer software are being amortized over a period of three years on straight line method.

E. Revenue Recognition

Interest income is recognised on accrual basis.

F. Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of 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, require an outflow of resources. When 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.

G. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transactions.

H. Income Tax

The accounting treatment for income-tax in respect of the Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' as notified by the Companies (Accounting Standards) Rules, 2006. The provision made for income-tax in the accounts comprises both, the current tax and the deferred tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognised in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits.

I. Employee Benefits

DEFINED CONTRIBUTION PLAN

The Company's contribution to provident fund is deposited with the prescribed authority and charged to the Profit and Loss Account.

DEFINED BENEFIT PLAN

The net present value of the Company's obligation towards gratuity to employees is unfunded and actuarially determined as at the Balance Sheet date based on the projected unit credit method. Actuarial gains and losses are recognised in the Profit and Loss Account.

2 Contingent Liabilities not provided for in respect of:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
(a) Capital Commitments (Net of advance)	-	38,230,242
(b) Guarantees Issued		
For Securing coal Linkages and bulk power transmission, the Company has provided the following guarantees.		
Financial Guarantees	668,877,240	96,079,600

3 Auditors' Remuneration:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Audit Fees	140,000	80,000
Tax Audit Fees	13,600	-
Other Matters	10,000	5,000
Out of Pocket Expenses	17,358	-
Service Tax	1,400	-
Total	182,358	85,000

4 As per the Accounting Standard 18 on 'Related Party Disclosures' as notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

(a) Relationships:

(I) ULTIMATE HOLDING COMPANY:

Infrastructure Development Finance Company Limited

(II) HOLDING COMPANY:

IDFC Projects Limited (with effect from February 05, 2010)

Ranhill Dheeru Singapore Pte. Ltd. (till February 04, 2010)

(III) FELLOW SUBSIDIARY:

IDFC Capital Limited

(IV) KEY MANAGEMENT PERSONNEL:

Mr. S. Narayanaswamy, Director (till February 4, 2010)

(b) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows:

RELATED PARTY	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		(₹)	(₹)
IDFC Projects Limited	Loans taken and repaid	-	30,000,000
	Subscription towards Preference Share Capital	-	7,851,600
	Subscription towards Debentures	55,000,800	181,505,300
	Debenture Application money	195,000,000	800
	Sundry Creditors - Balance Outstanding	35,960,128	9,119,778
	Advances Received - Balance Outstanding	-	14,812,404
	Bank Guarantee Commission charges	34,866,990	6,730,368
	Upfront fees charges	5,088,709	2,029,480
	Interest charges	-	1,345,682
	Share Application money	-	5,518,623
Ranhill Dheeru Singapore Pte. Ltd.	Refund of Share Application Money	-	190,515,948
	Subscription towards Debentures	2,959,900	63,772,100
	Redemption of Preference Share Capital	-	7,851,600
IDFC Capital Limited	Loan Syndication Fees	36,292,406	-

5 Disclosures pursuant to Part II of Schedule VI to the Companies Act, 1956:

(a) Managerial Remuneration under Section 198 of the Companies Act, 1956.

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Salary and Other Allowances	-	1,140,000

(b) Expenditure in Foreign Currency

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Travelling Expenses	-	868,469
Others	-	78,486
Total	-	946,955

6 Earnings Per Share:

In accordance with the Accounting Standard 20 on "Earnings Per Share" as notified by the Companies (Accounting Standards) Rules, 2006:

i. The Basic Earnings Per Share has been calculated based on the Net Loss after Tax of ₹ 4,675,201 (Previous Year Loss ₹ 14,934,152) and weighted average number of shares during the year of 10,000 (Previous Year 10,000).

ii. The reconciliation between the Basic and the Diluted Earnings per Share is as follows:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Basic Earnings Per Share	(467.52)	(1,493.42)
Effect of Outstanding Compulsorily Convertible Debentures	465.65	1,358.63
Diluted Earnings Per Share	(1.87)	(134.79)

iii. The Basic Earnings Per Share has been computed by dividing the Net Loss After Tax by the weighted average number of equity shares for the respective years; whereas the Diluted Earnings Per Share has been computed by dividing the Net Loss After Tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding Compulsorily Convertible Debentures for the respective periods. The relevant details as described above are as follows:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Weighted Average number of shares for computation of Basic Earnings Per Share	10,000	10,000
Diluted Effect of Outstanding Compulsorily Convertible Debentures	2,492,155	100,799
Weighted Average number of shares for computation of Diluted Earnings Per Share	2,502,155	110,799

7 As the Company is yet to start its operations, the additional information pursuant to paragraphs 3, 4A, 4B and 4C of Part II of Schedule VI to the Companies Act, 1956 has not been provided.

8 No Interest has been paid/payable by the Company during the year to the "suppliers" covered under Micro Small and Medium Enterprises Development Act, 2006. The above information has been taken into account only for those suppliers who have responded to inquiries made by the Company for this purpose.

9 The figures for the previous year have been regrouped/reclassified wherever necessary.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ATHAR SHAHAB
Director

PRADEEP SINGH
Director

VINEET JAIN
Company Secretary

Delhi | April 25, 2011

I. REGISTRATION DETAILS

Registration No.	U	4	0	1	0	9	A	P	2	0	0	3	P	L	C	0	4	0	8	9	9
State Code	0	1																			
Balance Sheet Date	3	1	0	3	2	0	1	1													

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000)

Public Issue	N	I	L	Right Issue	N	I	L
Bonus Issue	N	I	L	Stock Options	N	I	L
Qualified Institutional Placement - Equity	N	I	L	Qualified Institutional Placement - Preference	N	I	L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000)

Total Liabilities	5	6	8	3	5	6	Total Assets	5	6	8	3	5	6
SOURCES OF FUNDS													
Share Application Money	N	I	L	Reserves and Surplus	N	I	L						
Paid-up Capital	1	9	7	2	9	Unsecured Loans	4	9	8	2	3	8	
Secured Loans	N	I	L	APPLICATION OF FUNDS									
Net Fixed Assets	9	6	9	1	9	Investments	N	I	L				
Infrastructure Loans	N	I	L	Net Current Assets	(1	3	9	0	3)				
Deferred Tax Asset	N	I	L	Miscellaneous Expenditure	N	I	L						

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN ₹ '000)

Turnover/Income	2	4	3	8	Total Expenditure	7	1	1	3
Profit Before Tax	(4	6	7	5)	Profit After Tax	(4	6	7	5)
Earnings per Share (in ₹)	(4	6	7	.5	2)	Dividend %	N	I	L

V. GENERIC NAMES OF PRINCIPAL SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	N	I	L																			
Product Description	P	O	W	E	R	G	E	N	E	R	A	T	I	O	N							