

BINA POWER SUPPLY COMPANY LIMITED

ANNUAL REPORT 2009-10

DIRECTORS' REPORT

To

The Members

The Directors of your Company have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

PROJECT

As the Members are aware, the Company is setting up a 1250 MW (Phase-I currently under implementation of 500 MW) Coal-based Thermal Power Plant at Bina, in District Sagar, Madhya Pradesh, using sub-critical technology.

PROGRESS OF THE PROJECT

Your Company had, on 25th March, 2009 awarded the Contract for Civil, structural and Architectural works for the first phase of the Power Plant and Township (including Railway Siding) at a total contract volume of Rs. 285.60 crore. The Contract is being executed by Jaiprakash Associates Limited (JAL). The Civil and electro-mechanical works for construction of the Plant are in progress. Further, infrastructural works including construction of Main Camp comprising Field Hostels, Office Block, Annapurna, Store, Weighbridge, Fabrication (M&E) Workshop, Hospital, School building, APP, Water Treatment Plant are also in progress and are expected to be completed shortly.

The Company has received requisite statutory / regulatory approvals presently required for setting up the project including (i) Environment Clearance, (ii) Open Access to the Project from Power Grid Corporation of India Ltd. (PGCIL), (iii) Coal-linkages with the Coal Companies namely, Central Coalfields Ltd. (CCL) and South Eastern Coalfields Ltd. (SECL) having issued Letters of Assurance (LOA) for supply of Coal, (iv) Height clearance from Airport Authority of India (AAI) for the Chimney and (v) Ministry of Defence clearance for location of the Plant.

The Company is in advance stage of discussions with Madhya Pradesh Power Trading Company Ltd. for the Power Purchase Agreement for the portion of contracted capacity of power to be allocated to them.

FINANCIAL PROGRESS

The Directors of the Company are happy to report that the First Phase of the Project has been appraised by the Banks and Financial Institutions with IDBI as the Lead Bank. Debt syndication has been accomplished and Financial Agreements were executed on 9th November, 2009. An amount of Rs. 653.83 Crores has been incurred on the Project upto 31st March, 2010.

SHARE CAPITAL

During the year under report, there was no change in the paid-up Equity Share Capital of the Company.

DIRECTORATE

Shri Manoj Gaur, Shri P. K. Jain and Shri Alok Gaur, were appointed as Additional Directors of the Company w.e.f. 1st July, 2009. The shareholders in the Extraordinary General Meeting held on 27th July, 2009 approved the appointment of Shri Manoj Gaur, Shri P.K. Jain and Shri Alok Gaur as Directors of the Company.

The Board also appointed Shri Manoj Gaur as Chairman of the Company with effect from 1st July, 2009.

The Board of Directors in its meeting held on 26th March, 2010 has subject to the approval of Shareholders and the Central Government, appointed Shri P. K. Jain as Whole-time Director of the Company for a period of three years w.e.f. 1st April, 2010.

Shri Sunny Gaur, Shri Harish K. Vaid and Shri V.K. Sriwastava shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Shri Sunny Gaur, Shri Suren Jain and Shri Harish K. Vaid, Directors. The Remuneration Committee considers and makes recommendations to the Board regarding managerial level compensation, incentives and benefits and changes thereto.

AUDIT COMMITTEE

The Audit Committee constituted under Section 202A of the Companies Act, 1956 consist of three Directors namely, Shri Sunny Gaur, Shri Suren Jain and Shri Harish K. Vaid.

FIXED DEPOSITS

The Company did not invite / accept any deposit from the Public during the year under report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that :-

- (i) in the preparation of the annual accounts for the year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation to material departures;
- (ii) the Directors had 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 for the period ended 31st March, 2010.
- (iii) the Directors had 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 for preventing and detecting fraud and other irregularities; and
- (iv) the Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees pursuant to under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed and forms part of this report.

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information required to be disclosed as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with regard to Technology Absorption and Conservation of Energy is not applicable as the Project is still under construction stage. Further, there had been no Foreign Exchange Earnings during the year. Particulars of Foreign Exchange Outgo are given in Clause 10(b&c) of Schedule H to the Annual Accounts.

NOTE ON ACCOUNTS

The observations of Auditors and notes on accounts are self-explanatory.

APPOINTMENT OF STATUTORY AUDITORS

M/s. R. Nagpal Associates, Chartered Accountants, the Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer, themselves for re-appointment. The Board recommends their appointment.

Accordingly, the proposal has been included in the notice for the ensuing Annual General Meeting for the re-appointment of M/s R. Nagpal Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office from the date of the ensuing Annual General Meeting till conclusion of the next Annual General Meeting.

ACKNOWLEDGEMENT

The Board of Directors wish to thank the Government of India, Government of Madhya Pradesh State Electricity Board and Departments of the Central and the State Governments, Banks, Financial Institutions and other authorities for their valuable and continued co-operation and support to the Company.

For and on behalf of the Board

Sd/-

MANOJ GAUR
CHAIRMAN

Place: Noida
Date: 22nd May, 2010

Annexure to the Directors' Report

Information in pursuance to Sub-section 2A of Section 217 of the Companies Act, 1956 is given below:

Name of Employee	Designation / nature of duties	Gross remuneration (Rs.)	Qualification	Age (in Years)	Total experience (in years)	Date of commencement of employment	Previous employment
Shri V.K. Sriwastava	Whole-time Director	26,48,440	Diploma in Mechanical Engineering, Boiler Operation Engineers' Certificate, Member of the Indian Institute of Plant Engineers	66	46	1st April 2009	President (Thermal Power), Jaiprakash Associates Limited

Note:

- 1 Gross remuneration includes salary, accommodation / house rent and other perks like medical reimbursement, leave Travel Assistance, Furnishing allowance, Company's Contribution to Provident Fund etc. but excludes provision for gratuity and leave encashment.
- 2 Shri V.K. Sriwastava, whole-time Director holds his office for a period of three years from the date of his appointment.



R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

B-8/14, VASANT VIHAR,
NEW DELHI - 110 057
TELEPHONE : 26146892
FAX : 26148150
EMAIL : ravinagpal@vsnl.net

**AUDITORS' REPORT
TO THE MEMBERS OF
BINA POWER SUPPLY COMPANY LIMITED.**

We have audited the attached Balance Sheet of BINA POWER SUPPLY COMPANY LIMITED as at 31st March 2010 and the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date and Cash Flow Statement for the year ended 31st March 2010. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (1) As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227(4-A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - (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 have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement referred to in this report, are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement referred to in this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of communication received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 accounts, read together with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010, and
 - ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended 31st March 2010
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31st March 2010.

Place :NOIDA
Dated :22nd May 2010

For R. NAGPAL ASSOCIATES
Chartered Accountants



(CA R. NAGPAL)
Partner
M.No. 81594
Firm Regn No.002626N

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2010 of **BINA POWER SUPPLY COMPANY LIMITED.**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.

(c) No Fixed assets have been disposed off during the period, so as to affect the Company as a going concern.
- (ii) (a) The Inventory has been physically verified by the management at reasonable intervals during the period.

(b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not 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 Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) We are of the opinion that during the period under observation, the Company had an internal audit system commensurate with its size & nature of its business wherein it was observed that all transactions are carried out under the personal supervision of senior officials/directors of the Company.
- (viii) As the Company is in the implementation stage, Clause (viii) of Para 4 of the Order is not applicable.
- (ix) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc with the appropriate authorities, and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they became payable.

(b) As per records produced before us the dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty and cess which have not been deposited on account of any dispute are stated hereunder:

Name of Statute (Nature of dues)	Period to which amount relates	Dispute is pending	Total
Income Tax	AY 1999-2000, 2001 to	With the Commissioner of Income Tax	Rs. 20.44



	2003, 2005-06, 2006-07 and 2007-08	(Appeal)	Crores
Diversion Tax and Land Cess	Since 1998-99	Tehsil - Rs. 128.70 lacs	Rs 128.70 Lacs

- (x) As the Company is in the implementation stage, Clause (x) of Para 4 of the Order is not applicable.
- (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 any financial institution, bank or debenture holder.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Clause (xiii) of Para 4 of the Order is not applicable.
- (xiv) In our opinion the Company is not dealing in or trading in shares, debentures or other investments. Accordingly, Clause (xiv) of Para 4 of the Order is not applicable.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions; hence Clause (xv) of Para 4 of the Order is not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we find that funds raised on short term basis amounting to Rs. 71.38 crores have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) As the Company has not issued any debentures, Clause (xix) of Para 4 of the Order is not applicable.
- (xx) As the Company has not raised any money by way of public issues, Clause (xx) of Para 4 of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place :NOIDA
Dated :22nd May 2010

For R. NAGPAL ASSOCIATES
Chartered Accountants



(CA R. NAGPAL)
Partner
M.No. 81594
Firm Regn No.002626N

BINA POWER SUPPLY COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCH	AS AT 31.03.2010		AS AT 31.03.2009	
		RUPEES		RUPEES	
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
SHARE CAPITAL	A	2,241,585,500		2,241,585,500	
LOAN FUNDS					
SECURED LOAN	B	4,317,068,585		-	
TOTAL SOURCES OF FUNDS		6,558,654,085		2,241,585,500	
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	C	97,489,827		74,886,291	
Less: Depreciation		1,629,620		243,708	
Net Block		95,860,207		74,642,583	
Capital Work in Progress	D	5,778,741,566		1,163,247,345	
Incidental Expenditure during construction pending allocation		1,389,398,499	7,264,000,272	980,227,225	2,218,117,153
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	E	131,530,466		-	
Cash & Bank Balances		24,725,673		40,902,933	
Other Current Assets		-		53,648	
Loans & Advances		24,474,323		10,838,246	
		180,730,462		51,794,827	
Less: Current Liabilities & Provisions					
Current Liabilities	F	891,306,928		35,026,661	
Provisions		3,274,320		1,804,418	
		894,581,248		36,831,079	
NET CURRENT ASSETS			(713,850,786)		14,963,748
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
	G				8,504,599
PROFIT AND LOSS ACCOUNT					
			8,504,599		
TOTAL APPLICATION OF FUNDS		6,558,654,085		2,241,585,500	

Accounting Policies and Notes to the Accounts H

As per report of even date attached to the Balance Sheet

For R Nagpal Associates
Chartered Accountants

(R. NAGPAL)
Partner
M.No.81594
Firm Registration No. 002626N

Place: Noida
Date 22nd May, 2010

For and on Behalf of the Board

Manoj Gaur
Chairman

Sunny Gaur
Director

Suren Jain
Director

BINA POWER SUPPLY COMPANY LIMITED

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

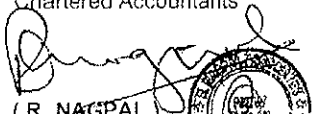
PARTICULARS	SCH	CURRENT YEAR	PREVIOUS YEAR
		RUPEES	RUPEES
INCOME		-	-
		-	-
EXPENDITURE			
Preliminary expenses written off - Prior Period		8,504,599	-
		8,504,599	-
Profit/(Loss) for the year		(8,504,599)	-
Balance carried to Balance Sheet		(8,504,599)	-

Accounting Policies and Notes to the Accounts

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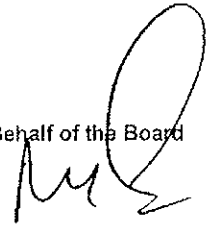
As per report of even date attached to the Balance Sheet

For R Nagpal Associates
Chartered Accountants


(R. NAGPAL)
Partner
M.No.81594
Firm Registration No. 002626N

Place: Noida
Date 22nd May, 2010

For and on Behalf of the Board



Manoj Gaur
Chairman


Sunny Gaur
Director


Suren Jain
Director

BINA POWER SUPPLY COMPANY LIMITED

SCHEDULE 'A'

SHARE CAPITAL

Authorised

2,200,000,000 Equity Shares of Rs. 10 each

(Previous Year 2,200,000,000 Equity Shares of Rs. 10/- each)

Issued, Subscribed and Paid up

2241,58,550 (Previous year 22,41,58,550) Equity Shares of Rs. 10/- each fully paid-up.

Note:- The entire Share Capital is held by Jaiprakash Power Ventures Limited, the holding company)

AS AT 31.03.2010
RUPEES

AS AT 31.03.2009
RUPEES

22,000,000,000

22,000,000,000

2,241,585,500

2,241,585,500

2,241,585,500.00

2,241,585,500.00

SCHEDULE 'B'

SECURED LOANDS

TERM LOAND FROM:

Banks

AS AT 31.03.2010
RUPEES

AS AT 31.03.2009
RUPEES

4,317,068,585

-

4,317,068,585

-



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BINA POWER SUPPLY COMPANY LIMITED

<u>SCHEDULE 'E'</u>	<u>AS AT 31.03.2010</u> RUPEES	<u>AS AT 31.03.2009</u> RUPEES
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
A <u>CURRENT ASSETS</u>		
i) Inventories (As per inventory taken, valued and certified by the management)		
i) Stores and Spares (at cost)	20,631,324	-
ii) Construction materials (at cost)	110,899,142	-
ii) Cash & Bank Balances		
a) Cash in Hand	1,500,863	623,152
b) Balances with Scheduled Banks		
- in Current Account	22,138,998	5,052,238
- in Trust and Retention Account	1,085,812	-
- in Fixed Deposit Account	-	-
	24,725,673	35,227,543
ii) Other Current Assets		
-Interest Accrued on Fixed Deposit with Banks	-	53,648
TOTAL 'A'	156,256,139	40,956,581
B <u>LOANS AND ADVANCES</u> (Unsecured, considered good)		
Advance recoverable in cash or in kind for value to be received	8,296,439	530,144
Security Deposits:		
-With Govt. Deptt.	4,751,983	4,731,500
-Others	570,908	984,250
Prepaid Expenses	5,417,838	49,477
Advance Tax Deposit & Tax Deducted at Source	5,437,155	4,542,875
TOTAL 'B'	24,474,323	10,838,246
TOTAL A+B	180,730,462	51,794,827

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BINA POWER SUPPLY COMPANY LIMITED

SCHEDULE 'C'

FIXED ASSETS.

Particulars	GROSS BLOCK		DEDUCTIONS DURING THE YEAR		DEPRECIATION		NET BLOCK	
	Opening balance as on 01.04.2009	Additions during the year	Deductions during the year	As at 31st March, 2010	Opening balance as on 01.04.2009	For the year	Upto 31st March, 2010	As at 31st March, 2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land - Freehold	59,087,543	-	-	59,087,543	-	-	59,087,543	59,087,543
Land - Leasehold	9,239,743	-	-	9,239,743	-	-	9,239,743	9,239,743
Plant & Machinery	56,005	10,207,905	-	10,255,910	467	275,433	9,990,010	57,538
Motor Vehicles	5,862,384	6,420,699	-	12,283,083	225,680	803,017	11,254,386	5,636,704
Furniture & Fixtures	18,076	-	-	18,076	459	1,144	16,473	17,617
Office Equipment	200,546	2,827,466	-	3,028,032	3,121	63,450	2,964,382	197,425
Computers	419,994	3,147,446	-	3,567,440	13,981	245,989	3,307,470	406,013
Total	74,886,291	22,603,536	-	97,489,827	243,708	1,385,912	95,860,207	74,642,583
Previous Year	68,327,286	6,559,005	-	74,886,291	243,708	243,708	74,642,583	

CAPITAL WORK IN PROGRESS

5,778,741,566	1,163,247,345
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BINA POWER SUPPLY COMPANY LIMITED

SCHEDULE 'D'

**STATEMENT OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION
FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	SCH	AS AT 31.03.2010		AS AT 31.03.2009	
		RUPEES		RUPEES	
OPENING BALANCE			980,227,225		75,707,269
Salary, Wages, Bonus and other benefit			12,468,480		1,549,978
Staff Welfare Expenses			325,093		196,687
Rates & Taxes			268,760		247,006
Legal & Professional Expenses			6,184,733		2,248,070
Insurance			2,747,029		71,880
Consultancy Charges			55,866,714		19,923,432
Travelling Expenses & Conveyance			1,815,264		754,721
Bank Charges and LC Commission			3,700,256		77,676
Development Fee					350,000,000
Royalty Paid			290,000		
Survey & Research Expense					2,365,000
Testing Fee			3,432,048		96,739
Freight & Octroi Charges			9,753,650		1,951
Advertisement Expense			1,806,142		102,300
Printing & Stationery Expenses			482,883		80,783
Security Deposit with MPSEB written off					522,400,000
Lease Rent			581,059		581,059
Licence & Application Fee			100,000		600,000
Power, Water & Electricity Charges			40,648		763,790
Miscellaneous Expenses			4,699,340		2,646,049
Financing Charges			144,501,273		-
Service Tax Paid			240,228		
Interest on Term Loan			159,742,967		
Depreciation			1,385,912		243,708
Auditor's Remuneration					
Audit Fee			275,750		220,600
Re-imburements			10,108		
Less: Interest Earned (TDS Rs. 2.66,487/-)		2,325,680		1,187,973	
Less :Provision for Taxation - Current year		718,700		372,300	
:Provision for Wealth Tax		59,917		38,200	
:Provision for Fringe Benefit Tax			(1,547,063)	126,000	(651,473)
Amount Carried Forward to Balance Sheet			1,389,398,499		980,227,225

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BINA POWER SUPPLY COMPANY LIMITED

SCHEDULE 'F'

AS AT 31.03.2010
RUPEES

AS AT 31.03.2009
RUPEES

CURRENT LIABILITIES & PROVISIONS

A CURRENT LIABILITIES

i) Sundry Creditors		
--Due to Micro, Small Scale, Medium Scale Enterprises		
--Other Creditors	872,269,928	29,921,726
ii) Due to Staff	1,841,873	243,037
iii) Expenses Payable	6,505,115	396,600
iv) Other Liabilities	10,690,012	4,465,298
TOTAL 'A'	891,306,928	35,026,661

B PROVISIONS

i) Provision for Taxation	2,251,333	1,532,633
ii) Provision for Leave Encashment	414,613	75,608
iii) Provision for Gratuity	384,257	31,977
iv) Provision for Fringe Benefit Tax	126,000	126,000
v) Provision for Wealth Tax	98,117	38,200
TOTAL 'B'	3,274,320	1,804,418
TOTAL A+B	894,581,248	36,831,079

SCHEDULE 'G'

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Preliminary Expenses	8,504,599	8,504,599
Less: Expense Written off during the year	8,504,599	-
		8,504,599



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BINA POWER SUPPLY COMPANY LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
PURSUANT TO PART IV OF THE COMPANIES ACT, 1956

I	Registration Details			
	Registration No.	10-08790	State Code	10
	Balance sheet Date	31.03.10		
II	Capital raised during the year (Amount in Rs. Thousands)			
	Public Issue	NIL	Rights Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
III	Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)			
	Total Liabilities	6,558,654	Total Assets	6,558,654
	Source of Funds			
	Paid Up Capital	2,241,586	Share Application Money	NIL
	Reserves & Surplus			
	Secured Loans	4,317,068	Unsecured Loans	NIL
	Application of Funds			
	Net Fixed Assets	7,264,000	Investments	-
	Net Current Assets	(713,851)	Misc. Expenditure	-
	Profit & Loss Account (Dr Balance)	8,505		
IV	Performance of the Company (Amount in Rs. Thousands) *			
	Turnover	NA		
	Total Expenditure	8,505		
	Profit/Loss before Tax	6,505		
	Profit/Loss After Tax	8,505	The Project is under Implementation	
	Earning per share in Rs.	NA		
	Dividend Rate %	NA		
	* Not Applicable as the project is under implementation			
V	Generic Names of three Principal Products/Services of Company (as per monetary terms)			
	Item Code No.	Not Applicable		
	(ITC Code)			
	Product Description	Thermal Power		

As per our report of even date attached to the Annual Accounts

for R. Nagpal Associates
Chartered Accountants

(R. NAGPAL)
Partner
M. No. 81594
Firm Registration No. 002026N
Place: Noida
Date 22nd May, 2010



For and on behalf of the Board

Manoj Gaur
Chairman

Sunny Gaur
Director

Suren Jain
Director

BINA POWER SUPPLY COMPANY LIMITED

Cash Flow Statement for the Year ended 31st March 2010

	2009-10	2008-09
	Rupees	Rupees
A. Cash flow from Operating Activities		
Loss from Profit and Loss account	(5,504,599)	-
Add: preliminary expenses written off	8,504,599	-
Net cash inflow from operating activities---'A'	<u>2,999,999</u>	<u>0</u>
B. Cash flow from Investing Activities		
<u>Outflow</u>		
Investment in Fixed Assets and Capital work in Progress incl Incidental Expenditure Pending allocation	(5,045,883,119)	(997,173,815)
Increase (Decrease) in Trade Payables	856,280,267	(215,593,468)
Increase (Decrease) in Provisions	1,469,902	644,085
<u>Inflow</u>		
(Increase)/Decrease in Inventories	(131,530,466)	-
(Increase)/Decrease in Other Current Assets	53,648	(53,648)
(Increase)/Decrease in Loans and Advances and others	(13,636,077)	(489,223,594)
Net cash used in investing activities---'B'	<u>(4,333,245,645)</u>	<u>(1,701,400,440)</u>
C. Cash flow from Financing Activities		
<u>Inflow</u>		
Increase in Share Capital		2,241,060,000
Increase in Secured Loans	4,317,068,585	-
<u>Outflow</u>		
Repayment of Advance Against Share Capital		(498,960,109)
Net cash In financing activities---'C'	<u>4,317,068,585</u>	<u>1,742,099,891</u>
Net Increase/(Decrease) in cash or cash equivalents (A+B+C)	<u>(16,177,260)</u>	<u>40,699,451</u>
Cash & Cash Equivalents at the commencement of the year (Opening Balance)	40,902,933	203,462
Cash & Cash Equivalents at the end of the year (Closing Balance)	24,725,673	40,902,933

For R. Nagpal Associates
Chartered Accountants

(R. Nagpal)
Partner
M. No. 81594
Firm Registration No. U02020N

Place: Noida
Date 22nd May, 2010



For and on behalf of the Board

Manoj Gaur
Chairman

Suren Jain
Director

Sunny Gaur
Director

BINA POWER SUPPLY COMPANY LIMITED

SCHEDULE 'H'

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

General:

- (a) The accounts are prepared on historical cost basis and on the principles of a going concern.
- (b) Accounting policies, not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles and Accounting Standards issued by the Institute of Chartered Accountants of India.

Revenue Recognition:

Expenditure and Income are accounted for on accrual basis.

Fixed Assets

Fixed assets are stated at cost of acquisition or construction inclusive of freight, erection and commissioning charges, duties and taxes, expenditure during construction period, interest on borrowings and financing cost up to the date of acquisition / installation.

Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in the manner specified in Schedule – XIV to the Companies Act, 1956.

Inventories

Inventories of Stores & Spares are valued at weighted average cost method.

Employee Benefits

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

- (i) Provident Fund and Pension contribution- as a percentage of salary / wages is a defined Contribution Scheme.
- (ii) Gratuity and Leave is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on projected Unit Credit Method.

Expenditure during Construction Period

Expenditure incurred on the Project during Construction is capitalised and apportioned to various assets on commissioning of the Project.

Preliminary Expenses

Preliminary Expenses are written-off in Profit & Loss Account.



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Foreign Currency Transactions:

- (i) Monetary assets and liabilities related to foreign currency transactions and outstanding at the close of the year are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet.
- (ii) Transactions in foreign currency are recorded in the books of accounts in Indian Rupees at the rate of exchange prevailing on the date of transaction.

Earning Per Share

Basic earning Per Equity Share is computed by dividing the net profit or loss after tax by the weighted average number of Equity Shares outstanding during the period.

Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use or sale. All other borrowing costs are charged to revenue.

Taxes on Income

Current Tax is determined as per the provisions of the Income Tax Act in respect of the Taxable Income.

Deferred tax resulting from timing difference between the book and the tax profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it 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.

NOTES TO THE ACCOUNTS

1. The Company became a subsidiary company of Jaiprakash Power Ventures Limited with effect from 15th May 2008 vide Share Purchase Agreement between Jaiprakash Power Ventures Limited and Aditya Birla Power Company Limited.
2. No provision has been made in respect of:
 - a. Income Tax Liability for the Assessment year 1999-2000, 2001 to 2003 and Assessment year 2005-06, 2006-07 and 2007-08 raised by Assessing officer for Rs 28.14 crore including Interest Rs.8.58 crore. Company has contested the demand and filed appeal before CIT, Mumbai.
 - b. Claims against company towards Diversion Tax & Land Cess not acknowledged as debt for Rs.1,28,70,000/- (Previous Year Rs.1,24,72,733/-).
 - c. Outstanding balance of Bank Guarantee - Rs. 30,48,03,000/- (Margin Money held by bank - Nil).



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- d. Outstanding Letter of Credit (L/C) - Rs.29,50,47,916/- (Margin Money held by bank - Nil).
- e. Estimated amount of contracts remaining to be executed on capital account is Rs. 1238.26 crores (Previous Year Rs.1416.24 crore).

3. Security for Term Loan

Financial assistance sanctioned and disbursed by Financial Institutions and Banks together with all interest, Other Charges, Dues & Costs payable to the Lenders under the Agreement & Financing Documents shall be secured by; first ranking pari-passu mortgage and hypothecation of all immovable properties/ assets, movables pertaining to the Project, both present and future; book debts, operating cash flows, receivables, commissions, revenues of any nature whatsoever arising, intangibles, goodwill, uncalled capital, present and future; all the rights, title, interest, benefits, claims and demands whatsoever and a first ranking pledge in respect of the Equity Shares held by Jaiprakash Power Ventures Limited (JPVL), the Holding Company in the Borrower such that the aggregate shares pledged at all times (i) from the Effective Date till the repayment of fifty percent (50%) of the total Facility shall constitute fifty one percent (51%) of the issued and paid up capital of the Borrower; and (ii) on repayment of fifty percent (50%) of the total Facility till the Final Settlement Date, subject to there being no outstanding Event of Default, the aggregate shares pledged shall be reduced from fifty one percent (51%) to twenty six percent (26%) of the issued and paid up capital of the Borrower. JPVL the Holding Company has pledged 114,320,861 number of shares as at 31.03.2010.

The aforesaid Security would rank pari-passu with all the other Security created/ to be created for securing Bridge Loan Facility and working capital lenders, or others for all purpose and all intends, subject to a maximum limit of Rs.250,00,00,000/- (Rupees Two hundred and fifty crore only) for securing the fund based and non fund based Working Capital Facilities. Bridge Loan as on 31.03.2010 - Rs.20.29 Crs.

- 4. As the Company has not yet started operation, the necessary details as per part-II of Schedule- VI to the Company Act, 1956 have been disclosed in the Schedule "D"- "Statement of Incidental Expenditure during implementation, pending Allocation.". The Profit and Loss Account has been prepared for the purpose of writing off the Preliminary Expenditure in accordance with the opinion of Expert Advisory Committee of Institute of Chartered Accounts of India dated 15th December 2009. Therefore Preliminary expenses being of earlier year, have been charged to Profit and Loss account as a prior period item. Had the same not been charged, the Loss would have been lower by Rs. 85,04,599 and debit balance in Profit and loss account would have been lower by Rs. 85,04,599.
- 5. In the opinion of 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.
- 6. (a) There is no Deferred Tax Liabilities / Assets as at 31st March, 2010 and 31st March, 2009.
(b) The Company has provided Rs.7,18,700/- as Income Tax for the year (Previous Year Rs.3,72,300/-).
(c) The Company has provided Rs.59,917/- as Wealth Tax for the year (Previous Year Rs.38,200/-).



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7. Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Ministry of Corporate Affairs (as certified by the Management):

Sl.No.	Particulars	Current Period Amount (Rs.)	Previous Year Amount (Rs.)
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	-Principal Amount	Nil	Nil
	-Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of section 166, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the supplier 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
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

8. Managerial remuneration paid/payable as minimum remuneration to the Whole Time Director (excluding provisions for gratuity and leave encashment on retirement):-

	31.03.2010	31.03.2009
	Rs.	Rs.
Salary	14,40,000	-
HRA	8,64,000	-
Reimbursement of Medical Expenses	47,943	-
Reimbursement of Gas, Electricity and Water Charges	3,697	-
Other Perquisites	2,92,800	-
Total	26,48,440	-



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9. Capital work in progress includes mobilization advance to JAL, the ultimate Holding Company Rs.27,23,00,000/-.

10. Additional information pursuant to provisions of paragraphs 3 and 4 of Part-II of Schedule-VI to the Companies Act, 1956

(a)	Capacity & Production	(Thermal Power Project)
	Licensed Capacity	500MW (1 st stage)
	Installed Capacity	Project under implementation
	Actual Production	NIL

(b) Expenditure in Foreign Currency:
(Foreign Exchange Outgo)

	<u>2009-10</u> <u>Rupees</u>	<u>2008-09</u> <u>Rupees</u>
(i) Travelling	55,900/-	NIL
(c) Imports (CIF Value)	NIL	NIL

The remaining information pursuant to the paragraphs 3 and 4 of Part- II of Schedule- VI to the Companies Act 1956, are either nil or are not applicable.

11. Related Party Disclosures, as required in terms of 'Accounting Standard [AS] – '18' are given below:

(I) Relationships:

(a) Holding Company:

- (i) Jaiprakash Power Ventures Limited
- (ii) Jaiprakash Associates Limited-(JAL), Holding Company of Jaiprakash Power Ventures Ltd. (JAL Being the ultimate Holding Company)

(b) Fellow Subsidiary Companies:

- (i) Jaypee Karcham Hydro Corporation Limited
- (ii) Jaypee Powergrid Limited (subsidiary of Jaiprakash Power Ventures Limited)
- (iii) Himalayan Expressway Limited
- (iv) Jaypee Infratech Limited
- (v) Jaypee Ganga Infrastructure Corporation Limited
- (vi) JPSK Sports Private Limited
- (vii) Madhya Pradesh Jaypee Minerals Limited
- (viii) Bhilai Jaypee Cement Limited
- (ix) Bokaro Jaypee Cement Limited
- (x) Gujarat Jaypee Cement & Infrastructure Limited
- (xi) Jaypee Arunachal Power Limited (subsidiary of Jaiprakash Power Ventures Limited)
- (xii) Sangam Power Generation Company Limited (w.e.f.23.07.2009) (subsidiary of Jaiprakash Power Ventures Limited)
- (xiii) Prayagraj Power Generation Company Limited (w.e.f..23.07.2009) (subsidiary of Jaiprakash Power Ventures Limited)
- (xiv) Jaypee Agra Vikas Limited (w.e.f.16.11.2009)



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(c) Associate Companies:

- (i) Jaypee Ventures Private Limited
- (ii) Jaypee Development Corporation Limited (subsidiary of Jaypee Ventures Private Limited)
- (iii) JIL Information Technology Limited (subsidiary of Jaypee Ventures Private Limited)
- (iv) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- (v) Jaiprakash Kashmir Energy Limited
- (vi) Indesign Enterprises Pvt. Limited (subsidiary of Jaypee Ventures Private Limited)
- (vii) Sonebhadra Minerals Pvt. Limited
- (viii) RPJ Minerals Pvt. Limited
- (ix) Jaypee Petroleum Private Limited (subsidiary of Jaypee Ventures Private Limited)
- (x) Jaypee Hydro-Carbons Private Limited (subsidiary of Jaypee Ventures Private Limited)
- (xi) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited) (w.e.f. 27.10.2009)
- (xii) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 01.05.2009)
- (xiii) Vasujai Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xiv) Samsun Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xv) Sunvin Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xvi) Manumanik Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xvii) Arman Estate Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xviii) Suneha Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xix) Pee Gee Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xx) Vinamra Housing & Constructions Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (xxi) Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited) (w.e.f. 23.10.2009)
- (xxii) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (xxiii) MP Jaypee Coal Limited (w.e.f. 14.05.2009)
- (xxiv) MP Jaypee Fields Limited (w.e.f. 04.01.2010)
- (xxv) Jaypee Spa Infocom Limited (subsidiary of Jaypee Ventures Pvt. Ltd. upto 25.02.2010)

(d) Key Management Personnel:

- (i) Shri Suren Jain, Director
- (ii) Shri V.K. Sriwastava, Whole-time Director

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(ii) Transactions carried out with related parties referred to above in ordinary course of business:

Nature of Transaction	Referred in (a) above	Referred in (b) above	Referred in (c) above	Referred in (d) above
1. Share Capital	224,15,85,500 (224,15,85,500)	-		
2. Expenditure				
a) Contract & Material Purchase	80,63,76,646 (6,78,86,159)			-
b) For Services		- (2,74,469)		
c) Remuneration paid by the Company				26,48,440 (-)
3. Outstanding				
a) Amount Payable	11,73,62,991 (2,10,73,948)			
b) Amount receivable/adjustable	27,23,00,000 (-)			

(Previous Year figures are given in brackets)

12. (a) Provident Fund-Defined Contribution Plan:

All employees are entitled to Provident Fund Benefits. Amount debited to Incidental Expenditure during construction Pending Allocation, account including Administration & EDLI Charges is Rs. 2,55,396/- (Previous Year Nil) during the year 01.04.09 to 31.03.2010.

(b) Gratuity and Leave Encashment-Defined Benefit Plans – Provision made as per actuarial valuation.

Sl. No.	Particulars	Funded	Non Funded
		Gratuity	Leave Encashment
I	Expenses recognized in the Statement of Incidental Expenditure during construction Pending allocation for the Period ended 31 st March 2010		
	1. Current Service Cost.	2,54,092 (31,977)	3,50,400 (75,608)
	2. Interest Cost	2,558 (-)	6,049 (-)
	3. Employee Contribution	- (-)	- (-)
	4. Actuarial (Gains)/Losses	1,27,497 (-)	(17,444) (-)
	5. Past Service Cost	- (-)	- (-)
	6. Settlement Cost	- (-)	- (-)
	7. Total Expenses	3,84,147 (31,977)	3,39,005 (75,608)



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II	Net Asset / (Liability) recognized in the Balance Sheet as at 31 st March 2010.		
	1. Present Value of Defined Benefit obligation.	4,16,234 (31,977)	4,14,613 (75,608)
	2. Fair Value of Plan Assets.	32,087 (-)	- (-)
	3. Funded Status (Surplus/Deficit)	(3,84,147) (-31,977)	(4,14,613) (-75,608)
III	Change in Obligation during the Period ended March 31, 2010.		
	1. Present value of Defined Benefit Obligation at the beginning of the year.	31,977 (-)	75,608 (-)
	2. Current Service Cost.	2,54,092 (31,977)	3,50,400 (75,608)
	3. Interest Cost	2,558 (-)	6,049 (-)
	4. Settlement Cost	- (-)	- (-)
	5. Past Service Cost.	- (-)	- (-)
	6. Employee Contributions	- (-)	- (-)
	7. Actuarial (Gains)/Losses	127,607 (-)	(17,444) (-)
	8. Benefit Payments	- (-)	- (-)
	9. Present Value of Defined Benefit Obligation at the end of the year.	4,16,234 (31,977)	4,14,613 (75,608)
IV	Change in Assets during the Period ended March, 2010.		
	1. Plan Assets at the beginning of the year.	(-)	(-)
	2. Assets acquired on amalgamation in previous year.	(-)	(-)
	3. Settlements	(-)	(-)
	4. Expected return on Plan Assets	(-)	(-)
	5. Contribution by Employer	31,977 (-)	(-)
	6. Actual Benefit Paid	(-)	(-)
	7. Actuarial Gains/ (Losses)	110 (-)	(-)
	8. Plan Assets at the end of the year.	32,087 (-)	(-)
	9. Actual Return on Plan Assets	(-)	(-)

(Previous Year figures are given in brackets)

(c) Actuarial Assumptions



- (i) Discount Rate - 8%
- (ii) Mortality - LIC(1994-96) duly modified mortality tables
- (iii) Turnover Rate - Upto 30 years - 2%, 31-44 years -5%, Above 44 -3%
- (iv) Future Salary Increase - 8% (5.50%)

13. All figures have been rounded off to the nearest rupee.

14. Previous year Figures have been re-grouped/re-arranged wherever considered necessary.

As per our report of even date
Attached to the Balance Sheet.

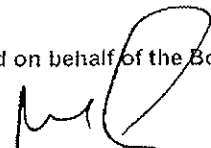
For R.Nagpal Associates
Chartered Accountants

R.Nagpal
Partner
M.No.81594
Firm Registration No. 002626N


(Sunny Gaur)
Director

For and on behalf of the Board


(Manoj Gaur)
Chairman


(Suren Jain)
Director

Place: Noida
Dated: 22nd May, 2010