

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual report and Audited Accounts for the year ended March 31, 2012.

1. FINANCIAL RESULTS

Your Company's project is under implementation and accordingly the Company has carried forward the project expenditure incurred during the year Rs. 2053,49,43,758 as Construction Work in Progress (at cost). The Company earned profit before tax of Rs. 3,55,56,715 comprising mainly dividend income from Mutual Funds and exchange gain.

2. DIVIDENDS

As the Company has not commenced its operations, your Directors express their inability to recommend any dividend for the year 2011-12.

3. CAPITAL EXPENDITURE

As at March 31, 2012, the gross tangible and intangible assets, including capital work-in-progress stood at Rs. 2,66,27,092. Depreciation of Rs. 85,51,788 is charged up to March 31,2012. Additions during the year amounted to Rs. 1,93,92,888.

4. AUDITORS' REPORT

The Auditors' report does not contain any qualifications. The notes to accounts referred in the Auditors' report are self-explanatory and do not call for any further comments of the Directors.

5. PERFORMANCE OF THE COMPANY

Your Company has been incorporated with the object of power generation and is yet to commence its commercial operations. The Directors are satisfied with the progress so far in implementing the project.

6. DEPOSITS

The Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956.

7. MATERIAL CHANGES, IF ANY, BETWEEN DATE OF THE BALANCE SHEET AND DATE OF THE DIRECTORS' REPORT

There are no material changes that have taken place in the Company between the date of the Balance Sheet and the date of the Directors' Report.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER THE COMPANIES' (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

• Conservation of Energy

As the commercial operations of the Company for generation of power are yet to commence, there are no particulars required to be disclosed under this head.

• Technology Absorption & Foreign Exchange Earnings and Outgo

There was no Technology Absorption during the year 2011-12.

• Foreign Exchange Earnings and Outgo

There was no earning of any foreign currency in the course of transactions during the year 2011-12.

There was usage of foreign currency in the course of transaction during the year 2011-12 as under:

-Foreign Travel	Rs. 3,74,777
-Interest (Accrued but not due on ECB Loan)	Rs. 3,10,114

9. PARTICULARS OF EMPLOYEES U/S 217(2A)

There are no employees covered by the provisions of the Section 217(2A) of the Companies Act, read with the Companies (Particulars of Employees) Rules, 1975.

10. SUBSIDIARY COMPANIES

Your Company does not have any subsidiary Company under its purview.

11. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the Directors 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, 2012 and profit of the Company for the year ended on that date.
- iii. that proper and sufficient care has been taken 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;
- iv. that the annual accounts have been prepared on a going concern basis; and
- v. that proper systems are in place to ensure compliance of all laws applicable to the Company.

12. DIRECTORS

At present, the Board comprises of Mr. Shailendra Roy, Mr. N. Hariharan and Mr. P. S. Banerjee.

During the year K. Venkatramanan and P. S. Kapoor ceased to be the Director of the Company with effect from 9th March 2012.

Mr. N. Hariharan and Mr. P. S. Banerjee are appointed as Additional Directors of the Company, and hold office up to date of the ensuing Annual General Meeting.

Mr. Shailendra Roy hold office up to the date of ensuing Annual General Meeting and being eligible for re-appointment a resolution proposing his appointment will be placed before the shareholders for their approval.

13. AUDITORS

The Auditors, M/s Sharp & Tannan, Chartered Accountants, being Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

Certificate from the auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

14. COMPLIANCE WITH VOLUNTARY CORPORATE GOVERNANCE GUIDELINES, 2009

The Company has familiarized itself with the requirement of the Corporate Governance Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs and it is in the process of implementing many of the suggestions. Our compliance with the said guidelines is given below–

A) Separation of offices of Chairman & Chief Executive

The Chairman is elected during each Board Meeting by the Directors from amongst those present. Mr. Upinder Singh is the Chief Executive of the Company and all the Directors are Non-Executive and the role of Chairman is confined to the proper conduct of the Board Meeting.

B) Remuneration of Directors

The Directors are not paid any remuneration by way of sitting fees, etc.

C) Independent Directors

All the members of the Board of the Company are independent in the sense that none of them are involved in the day-to-day management of the Company. The Directors are updated about their role, responsibilities and liabilities.

D) Number of Companies in which an Individual may become a Director

The Company has appraised its board members about the restriction on number of other directorships and the same is being complied with.

E) Responsibilities of the Board

The Company is yet to commence its operations. Directors are regularly updated about their role, responsibilities and liabilities.

The Company ensures necessary training to the Directors relating to its business through formal/ informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/ discharge his duties. The system of risk assessment and compliance with statutory requirements are in place.

F) Statutory Auditors

The Company has obtained a certificate from the auditors certifying its independence and arm's length relationship with the Company. The Company does not advocate rotation of Auditors as envisaged in these guidelines in view of the domain knowledge acquired by the Auditors over a period of time.

G) Internal Auditors

The Corporate Audit Services department of Larsen & Toubro Limited provides internal audit services to all its group companies.

H) Internal Control

The Board ensures the effectiveness of the Company's system of internal controls including financial, operational and compliance controls and risk management systems.

I) Secretarial Audit

The Secretarial Audit, at regular intervals, is conducted by the Corporate Secretarial department of Larsen & Toubro Limited, which has competent professionals to carry out the said audit.

15. ACKNOWLEDGEMENTS

The Directors acknowledge the invaluable support extended to the Company by the Financial Institutions, Bankers, Regulatory Authorities, employees of the Company and management of the parent company.

For and on behalf of the Board

Place : Mumbai

Date : May 7, 2012

SHAIENDRA ROY

Director

P. S. BANERJEE

Director

AUDITORS' REPORT

TO THE MEMBERS OF NABHA POWER LIMITED

We have audited the attached Balance Sheet of NABHA POWER LIMITED, as at 31st March, 2012, the statement of profit and loss and also the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. These 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.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India under Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books of account and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose 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 above, we report that:
 - (a) we have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) the Balance Sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, statement of profit and loss and the cash flow statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable; and
 - (e) on the basis of the written representations received from the directors of the Company as on 31st March, 2012, and taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2012, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

In our opinion, and to the best of our information and according to the explanations given to us, the said financials read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 ;
- ii. in the case of statement of profit and loss, of the profit for the year ended on that date; and in the case of the cash flow statement, of the cash flows for the year ended on that date.

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
by the hand of

Place: Mumbai
Date : May 7, 2012

MILIND P. PHADKE
Partner
Membership No. 33013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year, so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, 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 verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act 1956. Hence Clause 4 (vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (vii) We are informed that, being in pre-operative stage, the Company is in the process of instituting an internal audit system.
- (viii) The Central Government has prescribed maintenance of cost records under clause (d) of sub Section (1) of Section 209 of the Companies Act, 1956 (G.S.R. No. 913(E) dt. 21.12.2001, as amended vide G.S.R. 709 (E) dated 7th December, 2005 & G.S.R. 378(E) dated 27th June, 2006). The Company will generate electricity from thermal power and the plant is under construction therefore cost records under clause (d) of sub Section (1) of Section 209 of the Companies Act, 1956 are not maintained by the Company.
- (ix) (a) According to the information and explanations given to us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March, 2012, for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues which have not been deposited on account of any dispute of income tax and cess.
- (x) The Company has been registered for a period less than five years and is yet to commence its commercial operations and hence reporting under clause 4 (x) of the Companies (Auditor's Report) Order, 2003, regarding accumulated losses & cash losses does not arise.
- (xi) According to the information and explanations given to us, in our opinion the Company has not defaulted in the repayment of dues to any financial institutions or bank as at the Balance Sheet date.
- (xii) According to the information and explanations given to us and based on the documents and records produced to 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) The Company is not a chit fund / nidhi / mutual benefit fund / society and hence reporting under clause 4(xiii),(a),(b),(c) & (d) of the Companies(Auditor's Report) Order 2003 does not arise.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us, proper records have been made of the transactions and contracts and timely entries have been made therein. The investments in mutual funds have been held by the Company in its own name.

NABHA POWER LIMITED

- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by associates and others, from bank or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been applied for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year hence reporting under clause 4(xviii) of the Companies (Auditor`s Report) Order, 2003 does not arise.
- (xix) The Company has not issued any debentures during the year and accordingly no securities or charge has been created, hence reporting under clause 4 (xix) of the Companies (Auditor`s Report) Order, 2003 does not arise.
- (xx) The Company has not raised any money through public issues during the year. Accordingly, paragraph 4 (xx) of the Companies (Auditor`s Report) Order, 2003 is not applicable to the Company.
- (xxi) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
by the hand of

Place: Mumbai
Date : May 7, 2012

MILIND P. PHADKE
Partner
Membership No. 33013

BALANCE SHEET AS AT MARCH 31, 2012

	Schedules	As at 31.03.2012		As at 31.03.2011	
		Rupees	Rupees	Rupees	Rupees
EQUITY & LIABILITIES					
1. Shareholder's Funds					
a) Share Capital	I		9,600,000,000		9,600,000,000
b) Reserve & Surplus	II		48,083,522		14,936,807
			<u>9,648,083,522</u>		<u>9,614,936,807</u>
2. Non Current Liabilities					
(a) Long Term Borrowings	III		17,828,661,389		6,660,000,000
(b) Long Term Provisions			599,113		-
			<u>17,829,260,502</u>		<u>6,660,000,000</u>
3. Current Liabilities					
(a) Short term borrowings	IV		706,000,000		752,647,253
(b) Trade Payables	IV		12,571,074,497		4,315,926,230
(c) Other Current Liabilities	IV		44,564,043		27,025,206
(d) Short term provisions	IV		2,450,105		6,210,000
			<u>13,324,088,645</u>		<u>5,101,808,689</u>
TOTAL			<u><u>40,801,432,669</u></u>		<u><u>21,376,745,496</u></u>
ASSETS					
1. Non Current Assets					
Fixed Assets	V - A				
(a) Tangible Assets					
Gross Block			17,866,561		2,754,805
Less: Depreciation			8,551,788		376,398
Net Block			<u>9,314,773</u>		<u>2,378,407</u>
Capital Work In progress			374,552		
(b) Intangible Assets					
Capital Work In progress			8,385,979		4,618,240
(c) Other Non Current Assets	V - B		570,425,505		449,130,311
			<u>588,500,809</u>		<u>456,126,958</u>
2. Current Assets					
(a) Investments	VI		672,927,066		27,151,170
(b) Cash and cash equivalents			53,670,398		350,087,866
(c) Short-term loans & advances			9,114,161,973		10,706,150,837
(d) Other Current Assets			30,372,172,423		9,837,228,665
			<u>40,212,931,860</u>		<u>20,920,618,538</u>
TOTAL			<u><u>40,801,432,669</u></u>		<u><u>21,376,745,496</u></u>
Significant Accounting policies and notes on accounts	X				

The Notes to Accounts attached form an integral part of the Balance Sheet.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
ICAI Registration No. 109982W
by the hand of

MILIND P. PHADKE

Partner
Membership No. 33013

Place : Mumbai
Date : May 7, 2012

J. S. GILL

Manager

SHAILENDRA ROY

Director

Place : Mumbai
Date : May 7, 2012

P. S. BANERJEE

Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	For the year ended 31.03.2012 Rupees	For the year ended 31.03.2011 Rupees
INCOME			
Construction WIP at Cost		20,534,943,758	4,740,710,187
Other Income	VII	23,510,333	20,345,362
Total		20,558,454,091	4,761,055,549
EXPENSES			
Construction Expenses	VIII-A	19,305,419,766	4,442,634,989
Employee Benefits Expense	VIII-B	81,778,714	10,909,812
Finance Costs	VIII-C	1,139,518,158	286,893,882
Depreciation, amortisation and obsolescence expenses		8,227,120	271,504
Selling & Administration Expenses	IX	(12,046,382)	469,143
TOTAL		20,522,897,376	4,741,179,330
Profit/(Loss) before Taxation		35,556,715	19,876,219
Provision for Taxation			
Income Tax Current Year		2,410,000	6,210,000
Profit After Tax		33,146,715	13,666,219
Income Earlier Year		-	-
Profit after Earlier Year Income		33,146,715	13,666,219
Balance brought forward from previous year		14,936,807	1,270,588
Balance carried to Balance Sheet		48,083,522	14,936,807
Earning Per Share (Basic & Diluted)		0.03	0.03
Significant Accounting policies and notes on accounts	X		

The Notes to Accounts attached form an integral part of the Profit & Loss Account.

As per our report attached
SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 109982W
by the hand of

For and on behalf of the Board

MILIND P. PHADKE
Partner
Membership No. 33013

J. S. GILL
Manager

SHAILENDRA ROY
Director

P. S. BANERJEE
Director

Place : Mumbai
Date : May 7, 2012

Place : Mumbai
Date : May 7, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax & extraordinary items	35,556,715	19,876,219
Adjustment for :		
Dividend Received	(23,213,652)	(2,053,398)
Depreciation and Amortization	8,227,120	-
Translation reserve	-	-
Unrealized foreign exchange difference - net (gain) / loss	18,648,100	-
Interest Expenses	1,139,518,158	-
Interest Income	-	(18,291,964)
(Profit) / Loss on sale of investments (net)	-	-
(Profit) / Loss on sale of fixed assets (net)	87,112	-
Provision for diminution of value of investments	-	-
Operating Profit before working capital changes	1,178,823,552	(469,143)
Adjustments for :		
(Increase) / Decrease in Other receivables	-	-
(Increase) / Decrease in Other Current Assets	(20,534,943,758)	(4,453,544,801)
(Increase) / Decrease in Current Loans and Advances	1,558,780,924	(9,262,021,275)
(Increase) / Decrease in Non Current Loans and Advances	(121,295,194)	-
Increase / (Decrease) in Other payables	8,267,000,351	4,302,695,318
Cash generated from operations	(9,651,634,125)	(9,413,339,902)
Direct taxes paid	(2,410,000)	(6,210,000)
Net Cash inflow from Operating Activities (A)	(9,654,044,125)	(9,419,549,902)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(15,625,149)	(6,801,916)
Purchase of Intangible asset	(3,767,739)	-
Interest received	-	18,291,964
Purchase of investments	(645,775,895)	(7,148,858)
Pre operative Expenditure	-	-
Sale of Fixed Assets	-	-
Dividend received from other investments	23,213,652	2,053,398
Net Cash used in Investing Activities (B)	(641,955,131)	6,394,588
C. Cash Flow from Financing Activities		
Issue of Equity shares and advance against share capital	-	2,277,902,747
(Repayment) / Proceeds from Longterm borrowings	11,168,661,389	6,660,000,000
(Repayment) / Proceeds from Shortterm borrowings	(46,647,253)	779,672,459
Proceeds from Borrowings	-	-
Translation Reserve on ECB Loan	(16,122,129)	-
Interest paid	(1,106,310,218)	(286,893,882)
Net cash from Financing Activities (C)	9,999,581,789	9,430,681,324
Net increase in cash and cash equivalents (A+B+C)	(296,417,467)	17,526,010
Cash and Cash equivalents as at the beginning	350,087,866	332,561,856
Cash and Cash equivalents as at the end	53,670,398	350,087,866

NOTES

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard AS (3): 'Cash Flow Statements issued under the Companies (Accounting Standard) Rules, 2006
- Cash and cash equivalents represent cash and bank balances.
- Previous period figures have been regrouped/reclassified wherever applicable.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
ICAI Registration No. 109982W
by the hand of

MILIND P. PHADKE

Partner
Membership No. 33013

J. S. GILL

Manager

SHAIENDRA ROY

Director

P. S. BANERJEE

Director

Place : Mumbai
Date : May 7, 2012

Place : Mumbai
Date : May 7, 2012

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
NOTE - I SHARE CAPITAL		
Authorised		
(Current Year: 2,40,00,00,000 Equity Shares of Rs. 10/- each)	24,000,000,000	24,000,000,000
(Previous year: 2,40,00,00,000 Equity Shares of Rs. 10/- each)		
	<u>24,000,000,000</u>	<u>24,000,000,000</u>
Issued, Subscribed and Paid Up		
(Current year: 960,000,000 Equity Shares of Rs. 10/- each fully paid up)	9,600,000,000	9,600,000,000
(Previous year: 960,000,000 Equity Shares of Rs. 10/- each fully paid up.)		
(All the shares are held by L&T Power Development Limited-the holding company and its nominees as on March 31, 2012)		
Total	<u>9,600,000,000</u>	<u>9,600,000,000</u>
NOTE - II RESERVE & SURPLUS		
Opening Balance of Profit & Loss A/c	14,936,807	1,270,588
Add: Profit transferred during the year	<u>33,146,715</u>	<u>13,666,219</u>
Total	<u>48,083,522</u>	<u>14,936,807</u>
NOTE - III NON CURRENT LIABILITIES		
(a) Long term Borrowings [Note no XIII]		
Secured Loan		
Rupee Term Loan		
Axis Bank Ltd	2,960,000,000	2,960,000,000
Punjab National Bank Ltd	1,850,000,000	1,850,000,000
ICICI Bank Ltd	1,850,000,000	1,850,000,000
Bank of Baroda	753,200,000	-
Indian Overseas Bank	753,200,000	-
Export Import Bank of India	708,700,000	-
Housing Development Finance Corporation Ltd.	708,700,000	-
Bank of India	753,200,000	-
Canara Bank	753,200,000	-
Kotak Mahindra Bank Limited	531,700,000	-
Central Bank of India	531,700,000	-
Syndicate Bank	531,700,000	-
IndusInd Bank Limited	531,700,000	-
Indian Bank	443,400,000	-
State Bank of Hyderabad	354,400,000	-
State Bank of Patiala	354,400,000	-
State Bank of Mysore	354,400,000	-
Punjab & Sind Bank	354,400,000	-
The South Indian Bank Ltd.	266,100,000	-
The Federal Bank Ltd	266,100,000	-
State Bank of Travancore	266,100,000	-
State Bank of Bikaner & Jaipur	266,100,000	-
Andhra Bank	177,600,000	-
External Commercial Borrowing		
ICICI Bank - Singapore ECB [Note XXV and Note XXVI]	<u>1,508,661,389</u>	-
	<u>17,828,661,389</u>	<u>6,660,000,000</u>
(b) Long term Provision		
For employee benefits [Note XXII]	599,113	-
	<u>599,113</u>	-
	<u>17,829,260,502</u>	<u>6,660,000,000</u>

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
NOTE - IV CURRENT LIABILITIES		
(a) Short term borrowings		
Intercompany Borrowing - L&T Power Development Ltd [Note no XIV & Note XXIV]	706,000,000	752,647,253
	706,000,000	752,647,253
(b) Trade Payables [Note XXIV]		
Due to L&T Ltd (Ultimate Holding Company)	3,643,261,716	64,316,921
Due to Holding Company - L&T Power Development Limited	19,536,183	11,172,037
Due to Fellow subsidiary Companies	532,587	688,584
Provision for Unbilled Costs	8,768,538,439	4,230,000,000
Others	73,074,675	6,737,764
Statutory Liabilities	66,130,897	3,010,924
	12,571,074,497	4,315,926,230
(c) Other Current Liabilities		
(i) Interest Accrued on Secured Loan		
Axis Bank Ltd	38,762,067	27,025,206
Canara Bank	4,595,684	-
ICICI Bank - Singapore ECB Loan	310,114	-
State Bank of Travancore	318,827	-
	43,986,692	27,025,206
(ii) Other payables		
Expenses Payable	562,711	-
Other payables	14,640	-
	577,351	-
	44,564,043	27,025,206
(d) Short term provisions		
For employee benefits [Note XXII]	40,105	-
For Income Tax (MAT)	2,410,000	6,210,000
	2,450,105	6,210,000
TOTAL	13,324,088,645	5,101,808,689

NOTE : V - A FORMING PART OF ACCOUNTS FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01.04.2011	Additions	Deletion/ Adjustment for the year	As at 31.03.2012	As at 01.04.2011	During the year	Deletion/ Adjustment for the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
(a)	Tangible Assets											
1	Building											
	a) Temporary Office Building	-	6,803,833	-	6,803,833	-	6,803,833	-	6,803,833	-	-	
	b) Security Building	-	641,886	-	641,886	-	2,761	-	2,761	639,125	-	
2	Computers	849,694	4,292,287	74,801	5,067,180	96,747	570,774	27,102	640,419	4,426,761	752,947	
3	AC & Refrigerator	249,556	713,163	-	962,719	39,855	40,249	-	80,104	882,615	209,701	
4	Furniture & Fixture	335,909	948,795	43,118	1,241,586	96,005	549,044	16,974	628,075	613,511	239,904	
5	Office Equipment	152,182	1,420,133	-	1,572,315	29,909	96,158	-	126,067	1,446,248	122,273	
6	Electrical Equipment	1,167,465	430,500	20,923	1,577,042	113,882	164,301	7,654	270,529	1,306,513	1,053,583	
	Total	2,754,806	15,250,597	138,842	17,866,561	376,398	8,227,120	51,730	8,551,788	9,314,773	2,378,407	
	Previous Year	571,130	2,183,676	-	2,754,805	104,894	271,504	-	376,398	2,378,407	466,236	

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2011	Additions	Deletion/ Adjustment for the year	As at 31.03.2012	As at 01.04.2011	During the year	Deletion/ Adjustment for the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
(b)	Intangible Assets										
	Capital work in Progress (Clean Development Mechanism)	–		–	–	–		–	–	8,385,979	4,618,240

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
NOTE - V - B NON CURRENT ASSETS		
Non Current Deposit	6,975,070	1,704,900
Unamortized Financial Closure Expense [Note XXVII]	414,278,135	447,425,411
Unamortized ECB Loan Processing Fees [Note XXVII]	149,172,300	–
TOTAL	570,425,505	449,130,311
NOTE - VI CURRENT ASSETS		
(a) Current Investments		
Investment in Mutual Funds		
L&T Liquid Inst Daily Dividend Reinvestment	87,955,531	18,429,026
L & T Ultra STF Inst - Daily Dividend Reinvestment	86,820,428	–
Birla Sun Life Cash Plus - Instl. Prem. - Daily Dividend Reinvestment	211,239,848	–
ICICI Prudential Flexible Income Plan Premium - Daily Dividend Reinvestment	285,812,373	8,722,144
ICICI Prudential Flexible Income Plan Premium - Daily Dividend Reinvestment (Unit3)	956,893	–
ICICI Prudential Liquid Super Institutional Plan - Daily Dividend Reinvestment (Unit3)	141,993	–
	672,927,066	27,151,170
(b) Cash & Bank Balances		
Cash on Hand	19,424	–
Balances with Scheduled Banks		
Current account	53,650,974	28,472,588
Fixed deposit account (including interest accrued thereon Current Year Nil, Previous year Rs. 52,65,277)	–	321,615,278
	53,670,398	350,087,866
(c) Loans & Advances		
(Unsecured considered good unless otherwise stated)		
Larsen & Toubro Limited - Ultimate Parent Company [Note XXIV]	8,980,957,771	10,659,965,416
Others	133,204,202	46,185,421
	9,114,161,973	10,706,150,837
(d) Other Current Assets		
Construction Work in Progress at cost	30,372,172,423	9,837,228,665
	30,372,172,423	9,837,228,665
TOTAL	40,212,931,860	20,920,618,538

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT(Contd.)

	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
NOTE - VII OTHER INCOME		
Interest income	-	18,291,964
Dividend Income	23,213,652	2,053,398
Insurance Claim	29,375	-
Sale of Scrap	30,876	-
Interest on Income tax refund	86,430	-
Tender Fee	150,000	-
Total	23,510,333	20,345,362
NOTE - VIII-A CONSTRUCTION EXPENSES [NOTE XV]		
Contractor Cost - Main plant	13,615,961,780	129,922,866
Unbilled Cost	4,538,538,439	4,230,000,000
Contractor Cost - Railway Siding	746,837,152	-
Engineering & Designing & Others	27,616,822	30,584,274
Transportation, Clearing & Forwarding Charges	308,367,298	-
Recruitment Expense	1,225,147	83,119
Travelling & Vehicle Hiring Expenses	12,031,377	2,956,378
Audit Fees (Incl certification, Out of Pocket exp) [Note XXI]	219,986	85,642
Legal & Professional Fees	22,308,496	14,893,159
Rent	2,205,031	939,295
Rates & Taxes	2,345,866	24,905,008
Security Expenses	2,675,959	1,378,822
Contract Staff Wages	1,160,536	-
Hospitality, Food & Refreshment Expense	989,100	1,380,434
Courier Expense	33,123	4,807
Printing & Stationery	639,263	178,965
Books & Periodicals	32,091	2,079
Software Expense	709,855	-
Advertisement Expenses	692,058	-
Repairs & Maintenance	647,382	455,943
Guest House Running & Maintenance Expense	138,045	1,107,591
Power & Fuel	429,876	224,094
Water Charges	13,244	-
Telephone & Communication Expenses	355,389	93,730
Sundry Expenses	672,208	340,019
Safety Expense	215,379	-
Insurance	12,122,653	1,444
Bank Charges (including Guarantee Charges)	6,236,211	3,097,319
TOTAL	19,305,419,766	4,442,634,989

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

	For the year ended March 31, 2012 Rupees	For the year ended March 31, 2011 Rupees
NOTE - VIII-B EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages (including deputation charges paid to ultimate holding company)	75,406,192	10,760,295
Contribution to Provident Fund	1,612,369	-
Staff Welfare Expenses	4,760,153	149,517
TOTAL	81,778,714	10,909,812
NOTE - VIII-C FINANCE COSTS		
Ancillary Borrowing Costs (Amortised portion)	33,207,940	16,571,472
Interest (Net of Interest Income of Rs. 43,66,063, Previous year Rs. 2,52,33,831) [Note no XVI & Note XXVIII]	1,106,310,218	270,322,410
TOTAL	1,139,518,158	286,893,882
NOTE - IX SELLING & ADMINISTRATION EXPENSES		
Fixed Asset written off	87,112	-
Community Welfare Expense	1,846,006	469,143
Gain on Fluctuation of Foreign Currency	(13,979,500)	-
TOTAL	(12,046,382)	469,143

BRIEF DESCRIPTION OF THE COMPANY:

Nabha Power Limited (NPL) is setting up a 2 X 700 MW Coal based Supercritical Thermal Power Plant at Rajpura, Punjab. NPL has signed a Power Purchase Agreement with Punjab State Power Corporation Limited (Formerly, Punjab State Electricity Board) for sale of 100% power generated from the plant.

NOTE- X SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of accounting

The Company maintains accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"], in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006.

The preparation of financial statements in conformity with GAAP requires that the Management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements.

b. Revenue Recognition

Contract revenue comprising the total value of construction work performed during the year is recognized on a percentage of completion basis. The percentage of completion is determined on the basis of progress of each contract measured by reference to proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. No profit is recognized until a contract has progressed to the point where the ultimate realizable profit can be reasonably determined.

c. Fixed Assets

Fixed assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation.

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

d. Depreciation

Depreciation on assets has been provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956. However, in respect of Furniture and fixtures, office equipment, electrical equipment and Air conditioner, the depreciation is provided at higher rates in line with their estimated useful life. The rates considered for current year are as follows:

Asset Category	%
Furniture & Fixtures	10.00%
Office Equipment	6.67%
Computers	16.21%
Electrical Equipment	6.67%
Air Conditioner	8.33%
Temporary Building	100%

Depreciation for, additions/deductions is calculated pro rata from/to the month of additions/deductions.

e. Investments

Current investments are carried at lower of cost or market value.

f. Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- the Company has a present obligation as a result of a past event.
- a probable outflow of resources is expected to settle the obligation and
- the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- a present obligation when no reliable estimate is possible; and
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

g. Borrowing cost

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for the intended use. In addition to Interest charges, borrowing costs also include amortised ancillary costs incurred in connection with the arrangement of borrowings. A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use.

h. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception

Finance leases

- Assets given under leases where the Company has transferred substantially all the risks and rewards of ownership to lessee, are classified as finance leases. Where under a contract, the Company has agreed to manufacture / construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration, such arrangement is also accounted as finance lease.
- Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Wherever the asset is manufactured / constructed by the Company, the fair value of the asset, representing the net investment in the lease, is recognised as sales revenue in accordance with the Company's revenue recognition policy. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

i. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to asset will flow to the enterprise and the cost of the asset can be measured reliably.

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT(Contd.)

NOTES FORMING PART OF ACCOUNTS

- XI.** The Company has not yet commenced the generation of power and hence, disclosure of information under paragraph 4C of Part II of schedule VI of the Companies Act, 1956 is not applicable.
- XII.** The Company has drawn a Profit & Loss account to comply with the provisions of Companies Act, 1956, though commercial operations of generation and sale of power have not commenced.
- XIII.** The Company has got sanctioned secured loan of Rs. 7,200 Crores through syndication of 23 Banks against the security of mortgage and hypothecation of its assets and receivables over the period of loan. Part of this sanctioned loan is refinanced through External Commercial Borrowing (ECB) route for JPY 10,46,22,80,000 towards specific purchases.
- 65% of the INR loan is repayable in 44 structured installments from July'2014 to Jun'2025 and the balance 35% shall be paid as a bullet repayment at the end of the loan tenor. Interest is payable on a monthly basis.
- The ECB is repayable in twenty four equitable half yearly installments starting from Sept'2014 and ending on Sept'2026. Interest is payable half yearly.
- XIV.** The Company has taken interest free Inter Corporate Borrowing from its holding company- L&T Power Development Limited. Balance as on March 31, 2012 is Rs.70,60,00,000 (Previous year Rs.75,26,47,253)
- XV.** The Company has entered into Power Purchase Agreement (PPA) with Punjab State Power Corporation Limited (PSPCL) for supply of electricity for 25 years. PSPCL has undertaken to purchase the available net capacity of the power generation facilities for a period of 25 years with various agreed terms and conditions as specified in the PPA. Since the fulfillment of this arrangement is dependent on use of power generation and PSPCL will take more than insignificant amount of the output that will be produced, the provision of such power generating facilities would constitute a finance lease transaction upon commencement of power generation. The activity of construction of power generating facilities to be given on finance lease by the Company constitutes a "construction contract" which has been accounted in accordance with Accounting Standard (AS) 7 "Construction Contracts".
- Accordingly, the costs incurred (net) for construction of power generation facilities for the year of Rs. 2053.49 Crore (Previous year Rs.474.07 Crore) has been reflected as construction expenses and corresponding revenue has been recognized as "Construction WIP".
- XVI.** An amount of Rs.110,63,10,218 (Previous year Rs.27,03,22,410) towards borrowing costs for qualifying asset is inventoried during the year
- XVII.** As on March 31, 2012, Contingent Liabilities-Rs. Nil (Previous year- Rs. Nil).
- XVIII.** The Company does not have taxable wealth under the provisions of Wealth Tax Act, 1952.
- XIX.** Disclosures pursuant to Accounting Standard (AS7) (Revised) "Construction Contracts"

Particulars	2011-12 Rupees	2010-11 Rupees
i. Contract Revenue recognized for the Financial year	20,53,49,43,758	4,740,710,187
ii. Aggregate amount of Contract costs incurred as at end of Financial year for all contracts in progress as at that date	30,37,21,72,423	9,83,72,28,665
iii. Amount of customer advances outstanding for contracts in progress as at end of the Financial year	-	-
iv. Retention amounts due from customers for the contracts in progress as at end of the Financial year	-	-

- XX.** There are no amounts due to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

XXI. AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) :

Particulars	2011-12 Rupees	2010-11 Rupees
Audit Fees	1,50,000	50,000
Other Matters	48,814	16,682
Reimbursement of expenses	3,662	6,295
Total	2,02,476	72,977

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

XXII. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS) 15 (REVISED) "EMPLOYEE BENEFITS":

- a. Provision for Gratuity Rs.2,39,756 (Previous year Rs. Nil) as per the provisions of Payment of Gratuity Act, 1972 is made on actuarial basis as follows:

Amounts recognized in Balance Sheet:

Particulars	2011-12 Rupees	2010-11 Rupees
Present Values of unfunded Obligations	2,39,756	–
Amount in Balance Sheet		
(i) Current Liabilities	2,864	–
(ii) Non-Current Liabilities	2,36,892	–
Net Liabilities	2,39,756	–

Expense recognized in statement of Profit & Loss Account:

Particulars	2011-12 Rupees	2010-11 Rupees
Current Service Cost	2,39,756	–

The changes in the present value of defined benefit obligation representing reconciliation of opening & closing balances thereof are as follows:

Particulars	2011-12 Rupees	2010-11 Rupees
Opening balance of Present value of defined benefit obligation	–	–
Add: Current Service Cost	2,39,756	–
Closing balance of Present value of defined benefit obligation	2,39,756	–

Principal actuarial assumption at the balance sheet date:

Particulars	2011-12 Rupees	2010-11 Rupees
(i) Discounting Rate (Gratuity Plan)	8.59% p.a.	–
(ii) Salary Growth Rate (Gratuity Plan)	5.00% p.a.	–

- (iii) Discount Rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- (iv) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- (v) Retirement Age: The employees of the Company are assumed to retire at the age of 58 years.
- (vi) Mortality: Published rates under the LIC (1994-96) mortality tables.
- (vii) Disability: Leaving service due to disability is included in the provision made for all causes of leaving service.
- (viii) The amounts pertaining to defined benefit plans are as follows:

Particulars	2011-12 Rupees	2010-11 Rupees	2009-10 Rupees	2008-09 Rupees	2007-08 Rupees
(i) Defined benefit Obligation (Gratuity Plan)	2,39,756	–	–	–	–

(IX) GENERAL DESCRIPTIONS OF GRATUITY PLAN:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed years of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT(Contd.)

b. Provision for leave encashment Rs.3,99,462 (Previous year Rs. Nil) is made on actuarial basis as follows:

Particulars	2011-12 Rupees	2010-11 Rupees
Current Liability	37,241	–
Non-Current Liability	3,62,221	–
Net Liabilities	3,99,462	–

XXIII. SEGMENT REPORTING:

Company is engaged in single segment; hence requirement of reporting of primary segment does not arise. The Company does not have any exports; hence, requirement of disclosure of secondary/geographical segment reporting does not arise.

XXIV. RELATED PARTY DISCLOSURES:

a. List of related parties who can exercise control:

Sr. No.	Name of Related Party	Relationship
1	Larsen & Toubro Limited	Ultimate Holding Company
2	L&T Power Development Limited	Holding Company

b. Name of related party with whom transactions were carried out during the year and description of relationship:

S.No.	Name of the Related party	Relationship
1.	Larsen & Toubro Limited (L&T)	Ultimate Holding company
2.	L&T Power Development Limited (L&T PDL)	Holding company
3.	L&T Sargent & Lundy Ltd	Fellow Subsidiary Company
4.	L&T MHI Boilers Pvt Ltd	Fellow Subsidiary Company

c. Disclosure of related party transactions:

Name/Relationship/Nature of transaction	2011-12 Rupees	2010-11 Rupees
I Ultimate Holding company		
Larsen & Toubro Limited		
Advance Adjustment – L&T Contract	(1,67,90,07,645)	8,78,11,78,845
Retention Money – L&T Contract	220,03,28,929	1,81,77,813
Expenses reimbursed	6,36,76,618	1,78,61,094
Construction Work in Progress	18,88,95,11,371	4,36,56,60,658
Inter Company Deposit	–	1,67,17,94,980
Interest Income on ICD	–	1,32,34,268
II Holding company		
L&T Power Development Limited		
Professional Fees & Business Support Services	–	1,06,56,379
Inter Company Borrowing	(4,66,47,253)	2,81,10,50,000
Investment in Equity Shares	–	959,95,00,000
Advance against equity commitment	–	–
Expenses reimbursed	2,47,65,801	20,58,530

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

Name/Relationship/Nature of transaction	2011-12 Rupees	2010-11 Rupees
III Fellow Subsidiary company		
L&T Sargent & Lundy Limited		
Professional Fees	65,26,285	7,15,726
Expenses Reimbursement	-	49,368
L&T Infrastructure Finance Company Limited		
Advisory Fees for Financial Closure	-	7,94,16,000
Expenses Reimbursement	-	2,16,293
L&T MHI Boilers Pvt Ltd		
Expenses Reimbursement	1,78,167	-

d. Amount due to and due from related parties:

Sl. No.	Particulars	As at 31.03.2012 Rupees		As at 31.03.2011 Rupees	
		Due to	Due from	Due to	Due from
I	Due to ultimate holding company:				
	Larsen & Toubro Limited	3,64,32,61,716	8,98,09,57,771	6,43,16,921	10,65,99,65,416
II	Due to holding company:				
	L&T Power Development Limited (Including ICB)	72,55,36,183		76,38,19,290	-
III	Due to fellow subsidiary company:				
	L&T Sargent & Lundy Limited	5,12,673	-	6,88,584	-
	L&T MHI Boilers Pvt Ltd	19,914	-	-	-

XXIII. Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2012 is Rs. Nil (Previous year: Rs. Nil).

XXIV. BASIC AND DILUTED EARNINGS PER SHARE (EPS):

Particulars	2011-12	2010-11
Basic		
Profit as per profit and loss account (Rupees)	3,31,46,715	1,36,66,219
Average number of equity shares outstanding	96,00,00,000	44,18,90,000
Basic EPS (Rupees)	0.03	0.03
Diluted		
Profit as per profit and loss account (Rupees)	3,31,46,715	1,36,66,219
Average number of equity shares outstanding	96,00,00,000	44,18,90,000
Average number of equity shares to be allotted on conversion of advance towards equity to equity		
Average number of equity shares to be outstanding		
Diluted EPS (Rupees)	0.03	0.03

NOTES TO ACCOUNTS ARE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT(Contd.)

XXV. UN-HEDGED FOREIGN CURRENCY EXPOSURE

Payables including firm commitments and highly probable forecasted transactions:

- a. Firm commitment – Rs.11,92,64,90,268 (*Previous year - Rs.13,62,98,00,342*)
- b. ECB Loan – Rs.1,50,86,61,389 (*Previous year- Rs. Nil*)

XXVI. ECB Loan balance as on March 31, 2012 Rs.150,86,61,389 includes reinstatement exchange difference amount of Rs.1,61,22,129.

XXVII. AMORTIZATION OF EXPENDITURE:

Financial Closure Expenses are amortized over the tenure of loan. Details as under:

Particulars	Expense Amount	Amortization			Balance
		Up to 31.03.2011	For 2011-12	Total	
Financial Closure Expenditure	49,71,44,159	1,65,71,472	3,31,47,276	4,97,18,748	44,74,25,411
ECB Loan Processing Charges	16,03,04,109	–	60,664	60,664	16,02,43,445

XXVIII. EXPENDITURE IN FOREIGN CURRENCY:

-Foreign Travel: Rs. 3,74,777

-Interest: Rs. 3,10,114 (Interest accrued but not due on ECB loan)

XXIX. Figures for the previous year have been regrouped / reclassified wherever necessary.