

# ***MADHYA BHARAT POWER CORPORATION LIMITED***

*Registered Office : E-585, Ground Floor, Greater Kailash, Part-II New Delhi 110048*

Email: cghydropower@yahoo.com

## **DIRECTORS' REPORT**

**To  
The Members  
Madhya Bharat Power Corporation Ltd.**

Your Directors hereby present the Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### **PROJECT HIGHLIGHTS**

The year under review witnessed rapid development in the implementation of 96MW Rongnichu Hydro Electric Project in East Sikkim. Entire land for the project, including forest land, has been acquired and construction of approach roads leading to various project components is in progress. The contract for civil works was awarded through International Competitive Bidding. Bids for electro-mechanical and hydro-mechanical works have been invited. Construction of civil components shall start in the current year. Your Company has received In-principal sanction from different banks and financial institutions for financing the project. However, we are in dialogue with the prospective lenders for securing better terms of finance. The financial closure is expected in the current year. Power evacuation and transmission agreement has been signed. The project, when implemented, would supply energy to the northern grid and promote over all development of the state as well as nation.

### **CLEAN DEVELOPMENT MECHANISM (CDM)**

The Company is eligible for CDM benefits under Kyoto protocol of UNFCCC. We have appointed consultant to develop the CDM case. Project Concept Note has been developed and your Company plans to achieve Host country approval in the current year.

### **FINANCIAL HIGHLIGHTS**

The project is currently under implementation phase. Hence, no profit has been generated in the year under review. Capital work-in-progress as on March 31, 2010 is Rs. 21.33 crores. During the year, your company has raised Rs. 13.475 crores by way of unsecured loan and Rs. 16.34 crores as share application money from promoters. During the year under review, the Company has issued 9,50,000 equity shares of Rs. 10/- each at par. As a result, the total paid up capital as on date is Rs. 1.00 crores. On account of the fresh allotment made, your company has become subsidiary of M/s Sarda Energy & Minerals Limited.

### **DIVIDEND**

Since, the Company has not yet commenced production, hence your Directors do not recommend dividend for the financial year under review.

## **DIRECTORS**

Mr. Kamal Kishore Sarada, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

The Board of Directors in its meeting held on 1<sup>st</sup> April, 2010 has appointed Mr. Binode Mohan Goswami as Whole Time Director of the Company for a period of three years subject to the approval of the members of the Company at the ensuing Annual General Meeting.

## **DIRECTORS' REMUNERATION**

During the year under review, the Company has paid the following remuneration to Mr. Binode Mohan Goswami, Whole Time Director of the Company:

(Amount in Rs.)

Salaries	20,63,675.00
Leave Salary / Encashment	1,00,000.00
Others (Reimbursement of expenses)	1,56,000.00
<b>Total</b>	<b>23,19,675.00</b>

## **PUBLIC DEPOSITS**

The company has not accepted any public deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under during the year under review.

## **AUDITORS' REPORT**

The observations made in the Auditors' Report read with the relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 217 of the Companies Act, 1956.

## **AUDITORS**

M/s. M.M. Jain & Associate, Chartered Accountants, Nagpur, Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Board of Directors recommends their reappointment.

## **PARTICULARS OF EMPLOYEES**

During the year under review there were no employees receiving remuneration in excess of limits specified in Section 217 (2A) read with the Companies (Particular of Employees) Rules, 1975.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information with respect to Energy Conservation, and Technology absorption, pursuant to Section 217(1)(e) of the Companies Act, 1956, is nil as the Company has not yet commenced production. Foreign exchange earnings and outgo for the year ended on 31st March, 2010 is nil.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state as under:

- 1) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation;
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the loss of the company for that year;
- 3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) that the Directors have prepared the Annual Accounts on a going concern basis.

### **ACKNOWLEDGEMENT**

Your Directors express their sincere gratitude to the Company's Stakeholders, Financial Institutions, Bankers and various Government authorities and departments for extending their support and co-operation. Your Directors also appreciate the sincere services rendered by all employees of the Company.

**For and on Behalf of the Board of Directors**

Date : 14-05-2010  
Place : Raipur

**-Sd/-  
(K.K. Sarda)  
Director**

**-Sd/-  
(Pankaj Sarda)  
Director**

## AUDITORS' REPORT

To the Members of  
Madhya Bharat Power Corporation Limited

1. We have audited the attached Balance Sheet of MADHYA BHARAT POWER CORPORATION LIMITED as at 31<sup>st</sup> March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003( as amended) issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) 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;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statements dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (v) On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2010, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> 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.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
- (a) in the case of the Balance Sheet, of the state of the affairs of the Company, as at 31<sup>st</sup> March, 2010.
- (b) in the case of the Profit and Loss account, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR M.M.JAIN & ASSOCIATE  
CHARTERED ACCOUNTANTS

-Sd/-  
(M.M.JAIN)  
PARTNER  
(MEMBERSHIP No: 5727)

PLACE: NAGPUR  
DATED: 14-05-2010

Annexure referred to in paragraph 3 of our report of even date

On the basis of such checks as we considered appropriate and in terms of information & explanations given to us, we state that: -

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets have not been physically verified by the Management during the year but there is a regular program of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off substantial part of the fixed assets affecting the Going Concern status of the company.
- (ii) The company is not having inventory during the year. Therefore, the provisions of sub clause (a), (b) and (c) of clause 4(ii) are not applicable to the company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company however has taken unsecured loan from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 1330.73 lacs and the year-end balance of loans taken from such companies was Rs.847.67 lacs.
- (b) In our opinion, the rate of interest and other terms & conditions on which loans have been taken from the companies listed in the register maintained u/s 301 are not prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.
- (d) There is no amount overdue for more than one lac's.
- (iv) In our opinion and according to the information & 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. There is no major weakness in internal control system requiring correction.

M.M.JAIN AND ASSOCIATE

CHARTERED ACCOUNTANTS

SHREE MOHINI, KINGSWAY,

NAGPUR-440001.

- (v) (a) According to the information & explanations given to us, the particulars of the contracts or arrangements referred to in section 301 of the companies Act, 1956 have been entered in the register maintained under that section.
- (b) In our opinion and according to the information & explanations given to us, transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year, therefore, the provisions of section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed there under, directives issued by the RBI are not applicable to the company
- (vii) The company has no internal audit system as the provisions of clause 4(vii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (viii) As informed to us, the Central Government has prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the company's proposed activities. However, this clause is presently not applicable, as the company's project is under implementation stage.
- (ix) (a) According to the information and explanations given to us, the company is generally regular in depositing with the appropriate authorities, 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 material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable were in arrears as at 31/3/2010, for a period of more than six months from the date they become payable.
- (b) As explained to us there is no statutory dues which has not been deposited on account of any dispute.
- (x) The company's accumulated losses at the end of the financial year are not more than 50% of its net worth and it has incurred cash loss of Rs.30823/- in this financial year and Rs.16261/- in the immediately preceding financial year.

M.M.JAIN AND ASSOCIATE

CHARTERED ACCOUNTANTS

SHREE MOHINI, KINGSWAY,

NAGPUR-440001.

- (xi) The company has not taken any loan from financial institutions or banks, therefore provision of Clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) On the basis of information and explanation given to us, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly the provision of clause 4 (xiii) of the companies (Auditor Report) order 2003 are not applicable to the company.
- (xiv) On the basis of information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provision of clause 4(xiv) of the Company (Auditor's report) Order 2003 is not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks/financial institutions.
- (xvi) On the basis of information and explanation given to us, no term loans have been taken by the company during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of Balance Sheet of the company, we report that fund of Rs.847.67 lacs raised on long-term basis have been used to finance the project undertaken by the company.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) According to the information given to us the company has not issued any debentures.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

PLACE : NAGPUR  
DATED : 14-05-2010

FOR M.M.JAIN & ASSOCIATE  
CHARTERED ACCOUNTANTS

-Sd/-  
(M.M.JAIN)  
PARTNER  
(MEMBERSHIP NO.5727)



**MADHYA BHARAT POWER CORPORATION LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2010**

PARTICULARS	SCHEDULE	As at	As at
		31.03.2010 Rs.	31.03.2009 Rs.
<b>I. SOURCES OF FUNDS :</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
a. Share Capital	"A"	10,000,000	500,000
b. Share Application Money		163,400,000	1,500,000
		<b>173,400,000</b>	<b>2,000,000</b>
<b>2 LOAN FUNDS :</b>			
b. Unsecured Loans	"B"	84,767,202	133,073,092
<b>TOTAL :</b>		<b>258,167,202</b>	<b>135,073,092</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>1 FIXED ASSETS :</b>			
a. Gross Block	"C"	2,603,276	1,066,194
b. Less: Depreciation		789,100	602,216
c. Net Block		1,814,176	463,978
<u>Capital Work in Progress</u>	"D"	213,262,200	135,853,421
		<b>215,076,376</b>	<b>136,317,399</b>
<b>2 CURRENT ASSETS, LOANS AND ADVANCES</b>			
a. Cash and Bank Balances	"E"	48,901,974	1,164,064
b. Loans and Advances	"F"	579,641	121,854
		<b>49,481,615</b>	<b>1,285,918</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
a. Current Liabilities	"G"	6,824,534	2,877,065
b. Provisions		-	56,082
		<b>6,824,534</b>	<b>2,933,147</b>
<b>NET CURRENT ASSETS.</b>			
		<b>42,657,081</b>	<b>(1,647,229)</b>
<b>3 Miscellaneous Expenditure</b>			
( to the extent not written off or adjusted)			
a ) Preliminary Expenses		178,401	178,401
b ) Profit and Loss Account		255,344	224,521
		<b>433,745</b>	<b>402,922</b>
<b>TOTAL :</b>		<b>258,167,202</b>	<b>135,073,092</b>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
 FORMING PART OF ACCOUNTS

"H"

AS PER OUR AUDIT REPORT OF EVEN DATE ATTACHED  
 FOR M.M.JAIN AND ASSOCIATE  
 CHARTERED ACCOUNTANTS

For and on behalf of the Board

-Sd/-  
 (M.M.JAIN)  
 PARTNER  
 (MEMBERSHIP NO.5727)

-Sd/-  
 K.K.SARDA, Director

-Sd/-  
 PANKAJ SARDA, Director

-Sd/-  
 Gaurav Thakkar, Company Secretary

PLACE: NAGPUR  
 DATE : 14-05-2010

MADHYA BHARAT POWER CORPORATION LIMITED			
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010			
PARTICULARS	SCHEDULE	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
INCOME		-	-
TOTAL :		-	-
<u>EXPENDITURE</u>			
Bank Charges		6,487	1,773.00
Postage & Telegram		776	529.00
Filing Fee to ROC		1,500	2,723.00
Services Tax		2,060	1,236.00
Payment to Auditors		20,000	10,000.00
TOTAL :		30,823	16,261.00
PROFIT/LOSS FOR THE YEAR BEFORE TAX		(30,823)	(16,261.00)
Less :- FBT for earlier years		-	(4,872.00)
Add :- Provision for FBT		-	(56,082.00)
(Loss )/Profit for the year after Tax		(30,823)	(77,215.00)
Add: Balance Brought forward from last year		(224,521)	(147,306.00)
Net Loss Carried Over to Balacne Sheet		(255,344)	(224,521.00)
Earning Per Share (Basic & Diluted)		-	-

  

<p>AS PER OUR AUDIT REPORT OF EVEN DATE ATTACHED                  FOR M.M.JAIN AND ASSOCIATE                  CHARTERED ACCOUNTANTS</p> <p style="text-align: center;">'-Sd/-                  (M.M.JAIN)                  PARTNER                  (MEMBERSHIP NO.5727)</p> <p>PLACE: NAGPUR                  DATE : 14-05-2010</p>	<p style="text-align: right;">For and on behalf of the Board</p> <p style="text-align: right;">-Sd/-                  K.K.SARDA, Director</p> <p style="text-align: right;">-Sd/-                  PANKAJ SARDA, Director</p> <p style="text-align: right;">-Sd/-                  GAURAV THAKKAR                  (Company Secretary)</p>
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MADHYA BHARAT POWER CORPORATION LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	PARTICULARS	Year ended 31.03.10 (Rupees)	Year ended 31.03.09 (Rupees)
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit before tax as per Profit & Loss Account	(30,823)	(16,261)
	Adjustment for :		
	Provision for FBT	-	(56,082)
	Income Tax paid for the earlier year	-	(4,872)
	Operating Profit before Working Capital changes	(30,823)	(77,215)
	Adjustment for working Capital:		
	Add :-		
	A) (Increase)/Decrease in Loans & Advances	(457,787)	232,680
	Add :-		
	Increase/(Decrease) in Current Liabilities & Provision	3,891,387	1,190,250
	Net cash from Operating Activities	A 3,402,777	1,345,715
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Investment (Fixed Deposit)	-	(61,523,883)
	Project & Pre-operative expenses (Excluding Depreciation)	(77,221,895)	(20,271,639)
	Investment in Fixed Assets	(1,537,082)	(4,000)
	Net Cash used in Investing Activities	B (78,758,977)	(81,799,522)
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Share Capital issued	9,500,000	
	Share Application Money received	161,900,000	500,000
	Unsecured Loan	(48,305,890)	80,448,542
	Net Cash from financing Activities	C 123,094,110	80948542
	Net Increase/( decrease) in Cash and Cash equivalents ( A+B+C)	47,737,910	494,735
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	1,164,064	669,329
	CASH AND CASH EQUIVALENTS AT THE CLOSING OF YEAR	48,901,974	1,164,064

Notes:

(A) Figures in brackets represent outflows.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
 FOR M.M.JAIN AND ASSOCIATE  
 CHARTERED ACCOUNTANTS

-Sd/-  
 (M.M.JAIN)  
 PARTNER  
 (MEMBERSHIP NO.5727)

-Sd/-  
 K.K. SARDA, Director

-Sd/-  
 PANKAJ SARDA, Director

PLACE : NAGPUR  
 DATED :- 14-05-2010

-Sd/-  
 Gaurav Thakkar, Company Secretary

MADHYA BHARAT POWER CORPORATION LIMITED  
SCHEDULES A TO H ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT  
31ST MARCH , 2010.

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<u>SCHEDULE -"A" :SHARE CAPITAL</u>		
AUTHORISED		
5000000 Equity Share of 10/-each	50,000,000	50,000,000
ISSUED, SUBSCRIBED & PAIDUP		
1000000 Equity Shares of Rs.10/-each fully paid up	10,000,000	500,000
TOTAL	<u>10,000,000</u>	<u>500,000</u>
 <u>SCHEDULE -"B" :UNSECURED LOANS</u>		
Chhattisgarh Investment Ltd.	7,522,016	6,958,387
Sarda Energy & Minerals Ltd.	77,245,186	126,114,705
TOTAL	<u>84,767,202</u>	<u>133,073,092</u>

SCHEDULE - "C" : FIXED ASSETS AS ON 31.03.2010										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009	ADDITIONS DURING THE YEAR	DEDUCTIO NS DURING THE YEAR	AS AT 31.03.2010	UP TO 31.03.2009	FOR THE YEAR	ADJUSTME NT DURING THE YEAR	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer System	154,518	179,265	-	333,783	116,369	38,424	-	154,793	178,990	38,149
Office Equipment	99,166	60,670	-	159,836	40,046	10,259	-	50,305	109,531	59,120
Furniture & Fixture	812,510	761,647	-	1,574,157	445,801	129,018	-	574,819	999,338	366,709
Tools & Equipments	-	535,500	-	535,500	-	9,183	-	9,183	526,317	-
Total	1,066,194	1,537,082	-	2,603,276	602,216	186,884	-	789,100	1,814,176	463,978
Previous Year	1,134,184	4,000	71,990	1,066,194	517,639	120,028	35,451	602,216	463,978	616,545

	<u>AS AT</u> 31.03.2010 Rs.	<u>AS AT</u> 31.03.2009 Rs.
<u>SCHEDULE "D" CAPITAL WORK IN PROGRESS</u>		
Advances for Capital Assets	64,689,680	61,523,883
Project & Pre-Operative expenses.	49,540,552	38,806,065
Travelling & Conveyance Expenses	6,156,274	4,644,387
Project Administration Expenses :-	31,628,007	12,903,722
Interest on Unsecured Loan	36,170,722	17,975,364
Civil WIP	25,076,965	-
TOTAL	213,262,200	135,853,421
	<u>AS AT</u> 31.03.2010 Rs.	<u>AS AT</u> 31.03.2009 Rs.
<u>SCHEDULE -"E" :CASH &amp; BANK BALANCE</u>		
Cash in hand	19,652	22,270
Cash at bank	813,972	1,141,794
FD In IDBI Bank, (Include Rs.4.80 Crores (Previous year Nil ) On which bank has been lien.)	48,068,350	-
	48,901,974	1,164,064
<u>SCHEDULE -"F": LOANS &amp; ADVANCES</u> ( Unsecured Considered good )		
Advance recoverable in cash or in kind or for value to be received	115,177	3,293
Other assets	464,464	118,561
	579,641	121,854
<u>SCHEDULE - "G": CURRENT LIABILITIES &amp; PROVISIONS</u>		
<u>Current Liabilities</u>		
Statutory Dues	2,495,989	2,423,270
Liabilities For Expenses	1,178,476	52,513
Other Liabilities	3,150,069	401,282
	6,824,534	2,877,065
<u>Provisions</u>		
Fringe Benefit Tax	-	56,082
	-	56,082
TOTAL	6,824,534	2,933,147

SCHEDULE "H": ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

**I) SIGNIFICANT ACCOUNTING POLICIES**

**1. *Accounting Convention and Revenue Recognition***

The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

**2. *Fixed Assets***

- (a) Fixed Assets are stated at acquisition cost less depreciation. Cost includes taxes and duties, freight, installation and other costs.
- (b) Expenditure incurred during the construction stage up-to the date of commercial production of plant are grouped separately as Project & Pre-operative Expenses and shown under the head Capital Work in Progress. These expenses shall be allocated to the cost of respective project assets on completion of project on pro-rata basis.

**3. *Impairment of Fixed Assets***

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to Profit & Loss account. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

The year under review relates to project implementation hence impairment of fixed assets are not considered.

**4. *Depreciation / Amortization***

Depreciation on fixed assets are provided on Written Down Value Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Depreciation is provided on pro-rata basis from the date on which the asset becomes available for use.

Assets valuing Rs.5000/- or less and such items (excluding immovable assets) are fully depreciated during the year

**5. *Retirement Benefits to Employees***

The liability for encashable leaves is accounted for in the year of actual payment.

**6. *Taxes on Income***

The year under review relates to project implementation stage hence no provision is made for Income Tax/ Deferred Tax.

**7. Capital Work in Progress / Project Expenses**

Advance for fixed assets as shown under the fixed assets represents the amount paid for acquisition of land to Sikkim Power Devp. Corp. Ltd., and Principal Chief Conservator of forest (Govt. of Sikkim).

Capital work in progress /project expenditure of Rs.213262200/- shown under the fixed assets as is an expenditure wholly and exclusively incurred for the Development of 96 Mega Watt of Rangnichu Hydro Electric Project and all such expenditure under this head will be capitalized under appropriate head of fixed asset when the said project commence commercial production.

**II) NOTES TO ACCOUNTS**

1. Payment to Auditor represents Audit fee of Rs.20,000/- and service tax of Rs 2060/-.
2. There was no amount overdue & remaining unpaid to small scale and / or ancillary industrial suppliers on account of principal & for interest as at the close of the year. This disclosure is based on the information available with the company.
3. Related Party Disclosure

**I) Names of related parties and description of relationship:**

<b>S. No. Description of Relationship</b>	<b>Names of Related Parties</b>
1.Holding Company	Sarda Energy & Minerals Ltd.
2.Associates	NIL
3.Related Enterprises where significant influence exist	Sarda Energy & Minerals Ltd. Chhattisgarh Investments Ltd. Chhattisgarh Hydro Power (P) Ltd. Parvatiya Power Limited
4.Key Management Personnel	Mr. Kamal Kishore Sarda
5.Relative of Key Management Personnel	Mrs. Shakuntala Devi Sarda Mrs. Uma Devi Sarda Mrs. Prachi Sarda Mr. Pankaj Sarda
6.Joint Venture	NIL



**II) Material Transactions with Related Parties (Amt. in lacs)**

Particulars	Associates	Related Enterprises	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture
Loans/Advances accepted		484.56 (1150.98)			
Loans/Advances Given		NIL			
Loans/Advances Received Back		NIL			
Interest Paid/Provided		183.35 (179.75)			
Interest Received		NIL			
<u>Outstanding as at 31.03.2009</u> Receivable		NIL			
Payable		847.67 (1330.73)		(--)	(--) (--)

Provision for Contingencies – NIL

4. Earning per Share

	Current Year (Rs.)	Previous Year (Rs.)
Net (Loss)/Profit after Tax	(30823)	(77215)
Average Number of Equity Shares outstanding during the year	10,00,000	50000
Basic and diluted earning per share (Rs.)	(0.03)	(1.54)

5. Previous year figures are shown in bracket and have been recast / regrouped / restated wherever necessary to make them comparable.

SIGNATURE TO SCHEDULE "A" TO "H"

As per our report of even date attached

M.M. Jain & Associates  
 Chartered Accountant

-Sd/-  
 (M.M. Jain)  
 Partner  
 (Membership No.5727)

-Sd/-  
 (Gaurav Thakkar)  
 Company Secretary

-Sd/-  
 (K. K. Sarda)  
 Director

-Sd/-  
 (Pankaj Sarda)  
 Director

Place: Nagpur  
 Dated: 15-05-2010

<u>MADHYA BHARAT POWER CORPORATION LIMITED</u> <u>FOR THE YEAR ENDED 31ST MARCH 2010</u>	
Additional information as required under Part IV of Schedule VI to the Companies Act, 1956. Balance Sheet Abstract and Company's General Business Profile	
1. <u>Registration Details</u>	
Registration No.	U 74899 DL 1994 PLC 1994 PTC 061349/ 07.09.1994
State Code	55
Balance Sheet Date	31.03.2010
2. <u>Capital raised during the year</u>	(Rs. in thousands)
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	9500
3. <u>Position of mobilisation and deployment of funds</u>	(Rs. in thousands)
Total Liabilities	258167
Total Assets	258167
<u>..... Sources of Funds</u>	(Rs. in thousands)
Paid-up Capital	10000
Reserves & Surplus	NIL
Share Application Money	163400
Secured Loans	NIL
Unsecured Loans	84767
<u>..... Application of Funds</u>	(Rs. in thousands)
Net Fixed Assets	215076
Investments	NIL
Net Current Assets	42657
Miscellaneous Expenditure	178
Accumulated Losses	256
4. <u>Performance of the Company</u>	(Rs. in thousands)
Income	-
Total Expenditure	(31)
Profit/(Loss) before tax	(31)
Profit/(Loss) after tax	(31)
Earning per Share(Rs.)	(0.03)
Dividend Rate Including Special Dividend, if any	
-- on Preference Shares	N.A.
-- on Equity Shares	N.A.
5. <u>Generic Name of Principal Products, services of the Company :</u>	
Item Code No. (ITC Code)	N.A.
Product Description	N.A.
AS PER OUR AUDIT REPORT OF EVEN DATE ATTACHED FOR M.M.JAIN AND ASSOCIATE CHARTERED ACCOUNTANTS	
-Sd/- (M.M.JAIN) PARTNER (MEMBERSHIP NO.5727)	For and on behalf of the Board  -Sd/- K.K. SARDA, Director  -Sd/- PANKAJ SARDA, Director
PLACE: NAGPUR DATE : 14-05-2010	-Sd/- GAURAV THAKKAR, Company Secretary