

VISA POWER

Powering India's Growth

ANNUAL REPORT 2010-11



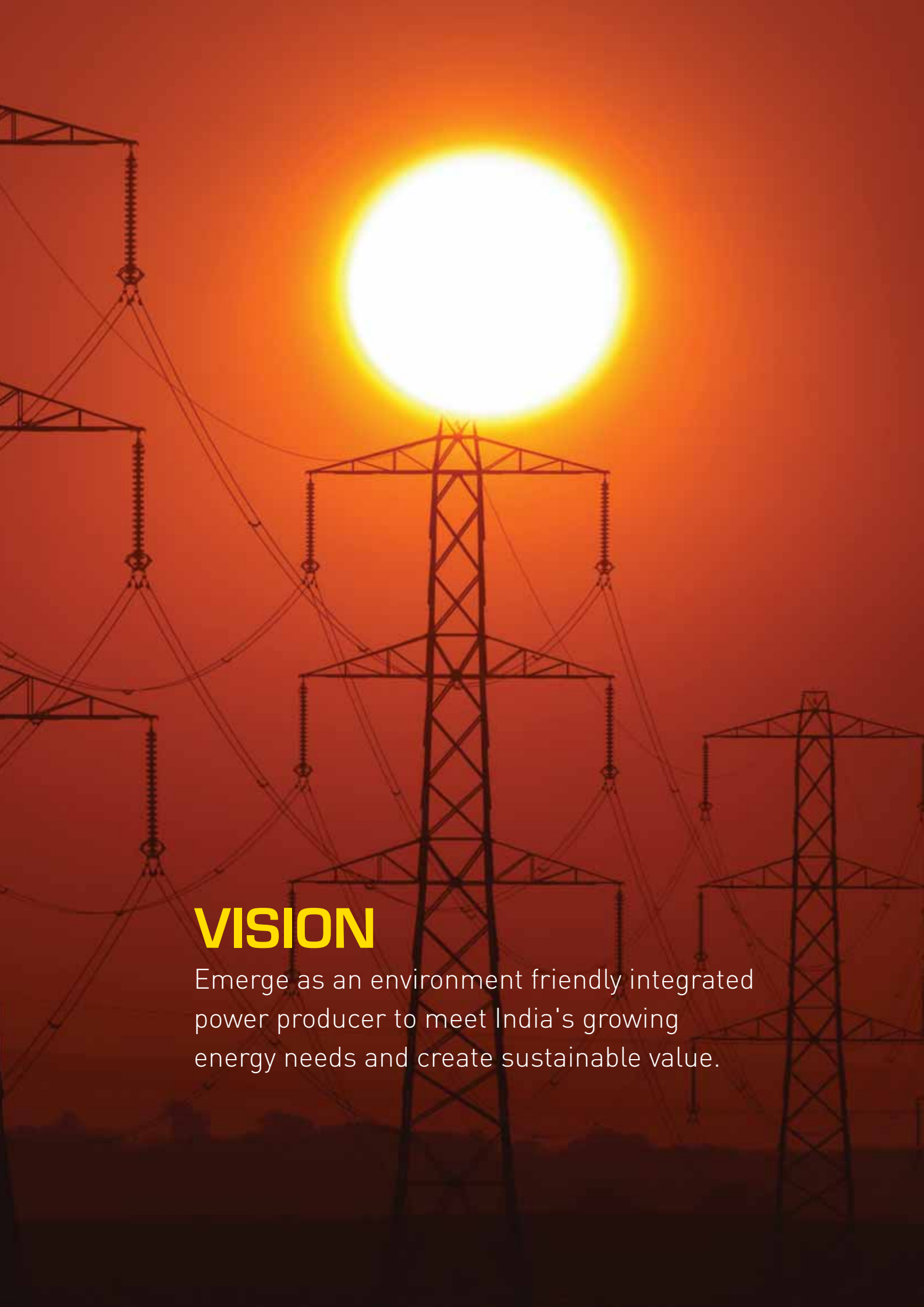
Forward Looking Statement

In this Annual Report, we have revealed forward looking information, strongly supported by solid base, to enable investors to understand our prospects and take informed investment decisions, accordingly. This report and other statements of similar kind that we periodically publish, contain futuristic statements that set out anticipated results based on the plans, agendas and assumptions of our management. Therefore, we have tried to describe such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance while discussing on future performance.

We cannot guarantee that these forward looking statements will be fully realised, although we believe they are prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in their mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

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VISION

Emerge as an environment friendly integrated power producer to meet India's growing energy needs and create sustainable value.

VISA POWER IN A NUTSHELL

VISA Power is setting up Independent Power Projects at Chattisgarh (based on captive coal block) and Orissa with a combined planned capacity of about 2520 MW with three projects of a cumulative capacity of 5280 MW in the offing. It is also in the power trading business and plans to foray into renewable energy.

Projects under execution

1,200 MW

IPP at Raigarh, Chhattisgarh with captive coal block

1,320 MW

IPP at Cuttack, Orissa with coal linkage



Projects under Planning

1,320 MW

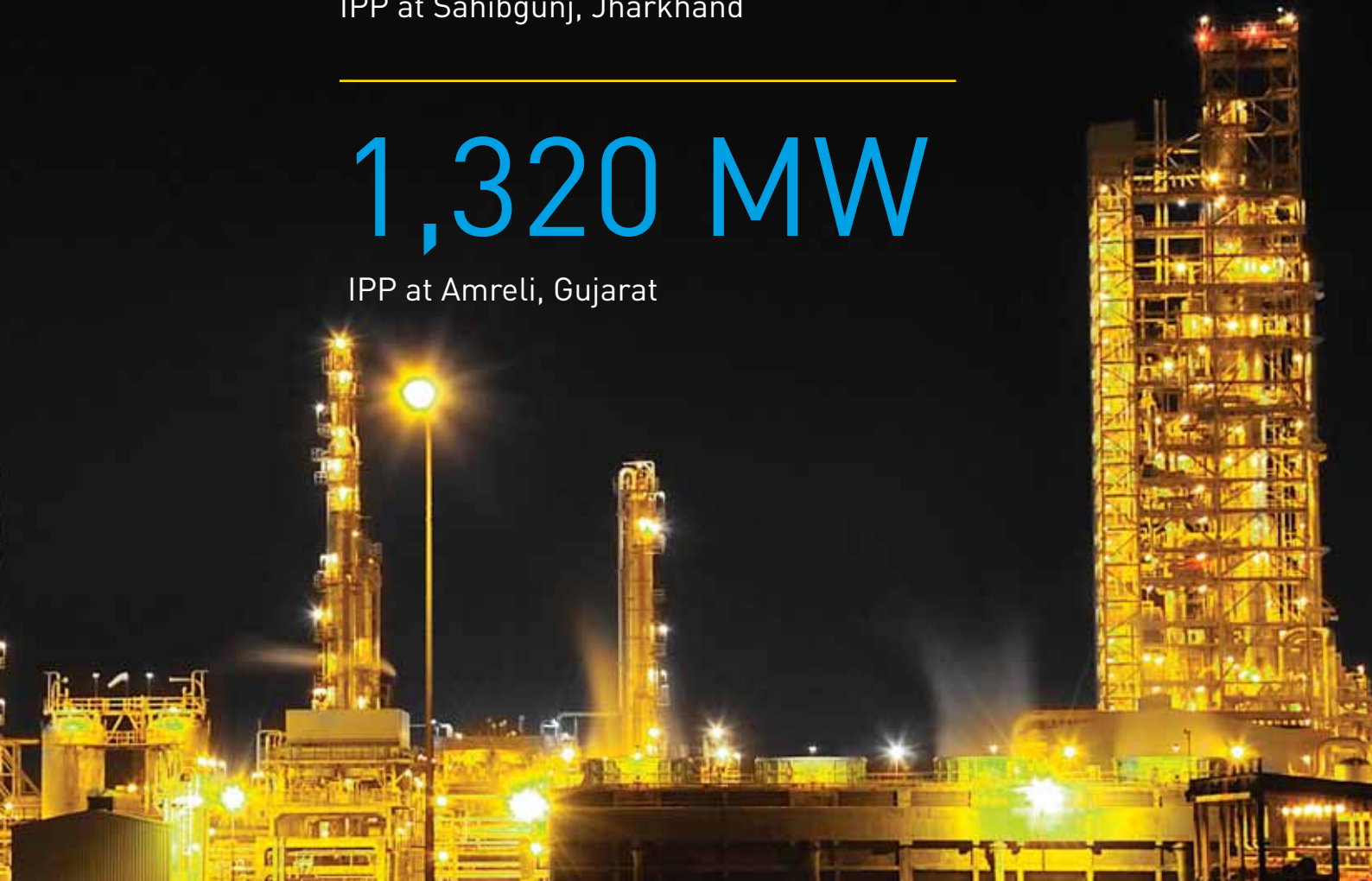
IPP at Seoni, Madhya Pradesh

2,640 MW

IPP at Sahibgunj, Jharkhand

1,320 MW

IPP at Amreli, Gujarat



CHAIRMAN'S MESSAGE



“India’s power generation had reached the 132.4 GW benchmark at the end of the 10th five-year plan. The revised target for the capacity addition in the 11th plan is set at 62.4 GW and that for the 12th plan is 100 GW. As per integrated energy policy, India’s energy requirement will touch 400 GW by 2020.”

Dear Stakeholders,

The direct influence of energy in economic growth still remains an interesting question among researchers. The role of energy, towards a country’s economic development is highly imperative. As both agricultural and industrial activities increase, the demand for energy similarly manifolds.

At the end of 10th five-year plan India’s power generation had reached 132.4 GW. The revised target for the capacity addition in the 11th plan is set at 62.4 GW and that for the 12th plan is 100 GW. As per integrated energy policy, India’s energy requirement will touch 400 GW figure by 2020. A number of existing and upcoming companies from both private and public sector are gearing up to meet this challenge.

Your Company is poised to get the most out of this significant opportunity for growth in the power sector, and has plans to add overall 7,800 MW of power over the next eight to ten years. The progress at our Chhattisgarh plant is going on at a rapid pace. The development related to the other plants at Orissa, Jharkhand, Madhya Pradesh and Gujarat are also at an advanced stage.

The government has taken various steps to meet the energy needs of all strata of India’s population in the most efficient and cost effective manner. Keeping

“ It gives us absolute pleasure to let you know about our Social Outreach Programmes, which bring hope and cheer to countless lives across some of the most backward sections in the states of Chhattisgarh and Orissa. ”

with the policy of liberalization set in motion since 1991, private investments for generation of power are already welcomed by the government. However, to ensure long term sustainability and guaranteed capacity addition in large scale, this sector needs to get more importance in many aspects. As the majority of new capacity for power generation will be thermal, the government must take initiative to make maximum possible quantity of domestic coal available for such power projects. Emphasis should be given to expedite the process for competitive bidding of coal blocks and also to properly explore number of upcoming blocks.

The clearance from the Ministry of Environment and Forest is causing considerable delay in development of a number of coal blocks. The various ministries are seized with this and are exploring ways to expedite the clearances.

It is evident that the use of energy will increase with the rise in population as well as the improvement in society's standard of living. Meanwhile, a major leap toward a sustainable lifestyle requires an efficient utilization of available energy resources. The shortage in peak energy, i.e., the gap between the peak power demand of the consumers having access to electricity and the generating capacity doesn't reflect the fact that the actual generation is often way behind than the installed capacity for many reasons - fuel shortages, breakdowns in old plants etc. And it also does not reveal the quantum of loss of generated power during transmission and distribution.

After establishing itself in the power generation and trading businesses, your Company aspires to progressively integrate downstream activities of the transmission and distribution businesses to reach the end consumer even

in the remotest part of the country. We expect that the distribution sector to be liberalised and made investment-friendly for private sector for hassle free transmission of power.

Finally, it gives us absolute pleasure to let you know about our Social Outreach Programmes, which bring hope and cheer to countless lives across some of the most backward sections in the states of Chhattisgarh and Orissa. Not only are these states home to our industrial plants that provide direct and indirect employment to a large number of people, they are also the biggest beneficiaries of our social endeavour aimed at empowering the weakest and enabling environment friendly business practices. In future also we are committed to sticking to our inimitable path of growth where social benefit and business profit work together.

Warm regards,



Vishambhar Saran

Chairman

FROM THE DESK OF THE MANAGING DIRECTOR



Dear Stakeholders,

“With the Indian economy projected to grow around 7-8% in the coming years, a capacity addition of 100 GW is targeted in the 12th five year plan to meet the increasing energy demand. Most of these additions will be thermal-based. VISA Power is setting up projects close to the fuel source to produce low-cost power through super-critical technology.”

As the Indian economy marches towards a strong macroeconomic growth, it is necessary to continue to provide ‘adequate’, ‘accessible’, ‘reliable’ and ‘viable’ power to all strata of the economy. The impressive performance of the sector is evident from 50,000 MW capacity additions during the last five years (2006-11). During 2010-11 alone, 12,160 MW has been added which is the highest yearly addition in the last 60 years in the history of Indian power sector.

In an attempt to optimize the power distribution network, for a seamless flow, the Government has been able to connect four out of the five regions of the country in a synchronous mode. Currently, India possesses 22,400 MW inter-regional transmission capacity which is estimated to step few notches up to 28,000 MW by March, 2012 in line with the ‘One Nation One Grid’ vision of the Power Ministry.

Investor Conducive Policies have also led to proliferation of the private sector participation in the Power Generation since 2003, accounting for 30% of the capacity addition during the current plan (XI Plan-2007-12) and is projected to touch 60% in the succeeding Five Year Plan (XII Plan – 2012-17).

Augmentation of power trading, optimal loading of power networks, adoption of super critical technologies, raising the domestic manufacturing capacity of power plant equipment, liberalisation of mega power policy, instituting a robust monitoring mechanism, all ensure a disruption free national coverage paving the way for ‘Power for all’ by the end of 2012.

Projects update

VISA Group is leveraging its knowledge, experience and performance in the international coal business for setting up independent power plants in Eastern and Western India.

The Company has already signed Memorandum of Understanding (MoU) with the State Governments of Chhattisgarh, Orissa, Madhya Pradesh, Jharkhand and Gujarat for setting up 1,200 MW, 1,320 MW, 1,320 MW, 2,640 MW and 1,320 MW thermal power plants, respectively. The mission of the Company is to generate low cost power by using state of the art technology, close to the source of fuel, to cater to the ever-growing demand for various industrial consumers and distribution licensees in northern and eastern states of India.

The Company has received an allocation of 99.12 MT of Coal out of 450 MT from the Fatehpur East Coal Block, and based on this sanction it is proceeding with the implementing the Chhattisgarh project. The Company has already made significant progress in land acquisition and has also obtained water allotment to meet its total requirement. The Company has received the environment clearance for its Chhattisgarh Project and has made considerable progress towards receiving the other required statutory clearances. Orders have been placed on BHEL for BTG supply and L&T for balance of plant. The Company has signed Bulk Power Transmission Agreement (BPTA) with Power Grid Corporation of India Ltd for evacuation of power from the Chhattisgarh project. The Company has also signed Power Sale Agreements with Chhattisgarh State Power Trading Company Limited and West Bengal State Electricity Distribution Company Limited to supply power from its Chhattisgarh plant. The Company is determined to meet its project schedule on time.

In addition, the Company has also proceeded with the Orissa project and has begun the land acquisition process. It has received the allotment for total water requirement of the project. The Company has floated tenders for receiving proposals for BTG packages and expects to finalise the order placement shortly. The project is primarily based on domestic coal linkage. Expert Appraisal Committee of the MoEF has recommended the project for Environment Clearance.

The Company has also identified project sites for the Madhya Pradesh and Jharkhand projects and initiated process for land acquisition, water allotment and statutory clearances.

Clean energy

VISA Power is evaluating fiscal incentives provided by the various State & Central Governments for setting up clean energy in the country and intends to develop a portfolio of hydro, wind, solar and other clean forms of power generation in the near future.

The Company has also decided to use supercritical technology for units which have not yet commenced construction.

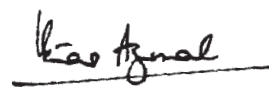
A responsible corporate

We have undertaken a balanced approach between business and environment by optimal utilization of the land as well as minimizing the potential for disruption and displacement of local communities. We are also adopting modern technologies related to power generation to help conserve the precious natural resource and contribute to a greener and healthier environment.

We are a socially responsible organization that is wedded to the idea of sustainable development through economic and communally viable process benefitting the underprivileged communities. Our forays into the healthcare, education and creating livelihood opportunities would substantially contribute towards improving the quality of life around the peripheries of project sites.

Indeed, we believe that our success in executing the outlined projects is critically dependent on following a participatory development-oriented approach that strengthens and deepens the link with the local community.

Warm regards

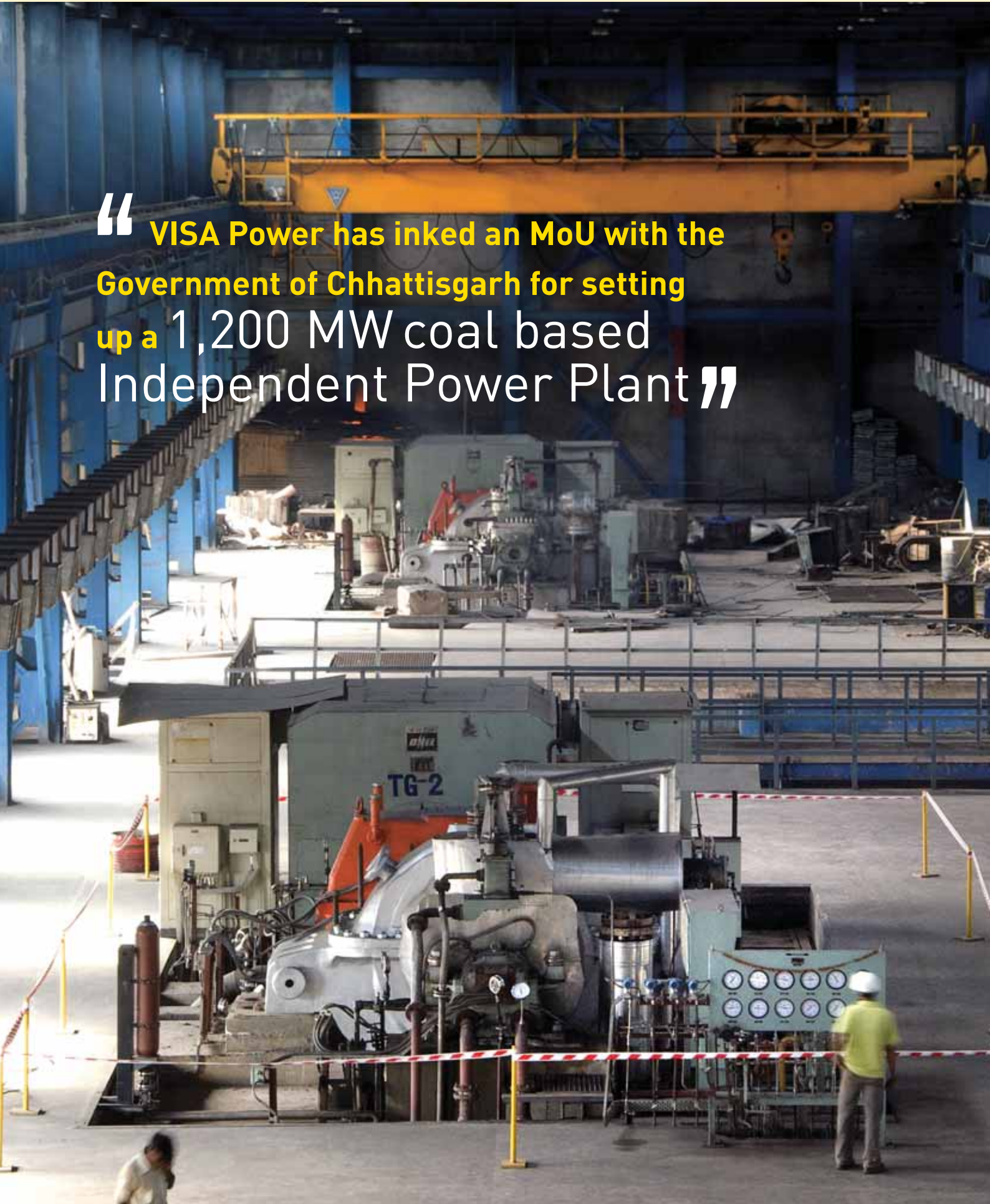


Vikas Agarwal

Managing Director

RAIGARH, CHHATTISGARH

“ VISA Power has inked an MoU with the Government of Chhattisgarh for setting up a 1,200 MW coal based Independent Power Plant ”



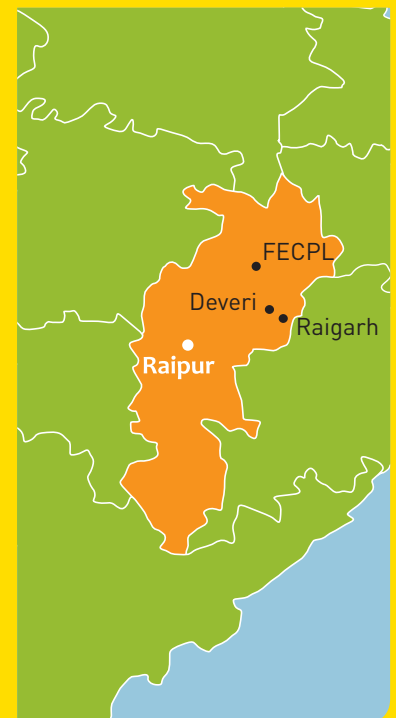


Overview

VISA Power is setting up a 1,200 MW Coal based Independent Power Plant. The plant in Deveri and Dumarpali village, Raigarh dist is at aerial distance of 65 km from the allotted coal block.

Highlights

- Total land required 780 acres, land for main plan already acquired
- 35 MCM water allotted through River Mahanadi, 30 kms south of the site
- Environment Clearance received from MoEF
- Allotted Fatehpur East Coal Block with 99.12 million MT geological reserves
- Financial closure achieved
- Boiler and Turbine Generator set procured from BHEL
- Balance of Plant procured from L&T
- Nearest Railway Station Bhupdeopur, about 7 kms from the site
- Power Sale Agreement with Chhattisgarh State Power Trading Company Limited and West Bengal State Electricity Distribution Company Limited
- Power Evacuation through nearest pooling point – New Kotra (Bensia) ~ 11km from site
- Executed agreement with Private Equity partner Blackstone Group, USA, for infusion of Rs 500 Crores
- 1st unit of 600 MW to be commissioned by Dec 2013
- The 2nd unit will be set up using super critical technology (660MW)



CUTTACK, ORISSA

“ The Company has signed an MoU with the Government of Orissa for setting up a 1,320MW IPP ”





Overview

The Company has signed a MoU with Government of Orissa for setting up a 1,320 MW IPP. The plant is being set up using efficient and environment friendly super critical technology. The proposed location is near village Brahmanabasta approximately 30 kms from Cuttack. The site is well connected with road and railway network.

Highlights

- Project to be spread across approx 950 acres and provides scope for future expansion. Land for the main plant already acquired.
- Entire water requirement of 40 MCM allotted from River Mahanadi, about 3 kms from site
- Environment clearance expected by Q1 2012
- Bids invited for award of BTG packages through International Competitive Bidding Process
- Power Sale Agreement signed with GRIDCO
- Power evacuation through nearest sub station of OPTCL at Khuntuni
- Estimated project cost of approx Rs 8,200 Crores
- Nearest railway station towards Talcher is Radhakishorepur
- Construction power approval obtained from Government of Orissa



SEONI, MADHYA PRADESH

“ The Company has signed an MoU with the Government of Madhya Pradesh for setting up a 1,320 MW integrated power plant ”





Overview

VISA Power has signed a MoU with the Government of Madhya Pradesh for setting up a 1,320 MW integrated power plant.

Highlights

- Project comprises of 2 x 660 MW, with an estimated project cost of approx Rs 8,200 Crores
- The project to be developed at Seoni district
- The Company has identified the location of the project and about to commence land acquisition process
- Allotment of water is under process
- The Company will use domestic coal for power generation



SAHIBGUNJ, JHARKHAND

“ VISA Power has signed an MoU with the Government of Jharkhand for setting up a 2,640 MW integrated power plant ”





Overview

VISA Power has signed a MoU with the Government of Jharkhand for setting up a 2,640 MW integrated power plant.

Highlights

- The estimated project cost would be approx Rs 15,750 Crores
- Project to be developed in Sahibgunj district
- The Company has identified the location of the project and about to commence land acquisition process
- Jharkhand has the highest coal reserves amongst the states in India. The Company has applied to the Ministry of Coal, Government of India for grant of long term coal linkage
- Allotment of water is under process



AMRELI, GUJARAT

“ VISA Power is also planning a 1,320 MW IPP near Pipavav Port at Gujarat ”





Overview

VISA Power is also planning a 1,320 MW IPP near Pipavav Port at Gujarat. The Group will leverage its knowledge and experience in the international coal business to provide imported coal to this project.

Highlights

- Project to be developed over 1,200 acres of land at Bherai village in Amreli district, Gujarat with scope of further expansion
- Total installed capacity is 1,320 MW with an estimated project cost of approx. Rs 8,200 Crores
- Project comprises of 2 x 660 MW, the first unit to be commissioned by 42 months from the Zero Date
- Power shall be supplied to the industrial consumers of Gujarat and other power deficit states in the Northern and Western Region
- Sea water shall be utilized for condenser cooling
- Exploring investment opportunities in Indonesia, Australia and South Africa to secure the imported coal requirement for the project



THE INDIAN POWER SECTOR



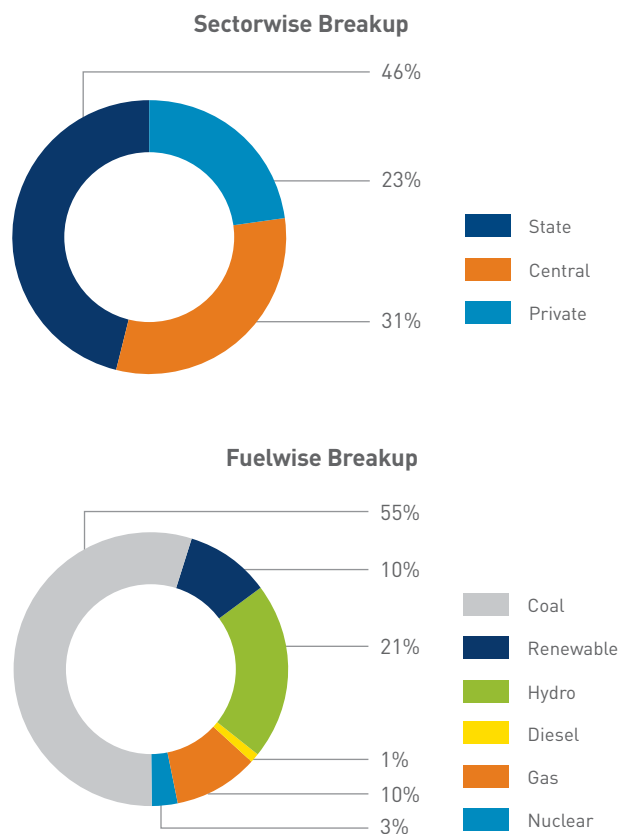
The Indian power sector is playing a pivotal role to sustain and accelerate the 7.8% growth momentum of the economy. The Government of India has embarked on an ambitious plan to provide 'Power for All' by the end of XI Plan Period (2007-12). This would entail the creation of additional capacity of at least 10,000 MW by 2012.

The INR 180 billion UMPP (Ultra Mega Power Projects) initiative - for promoting coal based projects each with a capacity of 4,000 MW or above, is a stepping stone by the Government to achieve this goal.

Power generation situation in India

Thermal power including coal as a fuel source accounts for 65% of the power produced in India, followed by 21% through hydro power and 14% from other sources. The overall power generation in India has increased from 771.55 billion units (BU) in 2009-10 to 811.14 in 2010-11.

India's installed capacity (Total 181 GW as on 31st Aug 11)

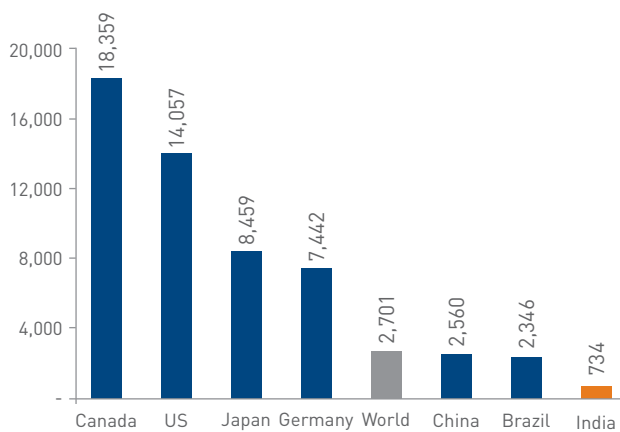




India's position in the world market

The strong correlations between economic developments, welfare of the community and power consumption underscores that the power sector performance would increasingly move to the fore as the mainstay of the economy. India, which outperformed the World in its GDP tracker and enabled with the fifth largest electricity generation capacity in the world, registers abysmally miniscule per capita electricity consumption.

Electricity consumption per capita



[Source: Ministry of Finance and CEA]

India's per capita electricity consumption at 734 kWh in 2008-09 accounted for about 27% of the world average. It is targeted that the per capita consumption of electricity in India increase to 1000 kWh by 2012.

Demand and Supply

Indian Power sector has grown manifold from a mere 1,362 MW capacity generator in 1947 to 181,558 MW in Aug' 2011.

During 2010-11 alone, 12,160 MW has been added which is the highest yearly addition in the last 60 years in the history of Indian Power sector. It is interesting to note that 163% of the total capacity addition during X Plan Period (2002-2007) i.e. 34,462MW capacity has been added during the first four years of XI Plan Period (2007-2012).

The remarkable performance in terms of capacity addition has still not improved the energy and peak shortage conditions substantially. The Central Electricity Authority (CEA) has projected an overall energy shortfall of 10.3% and a peak shortage of 12.9% in the country during the current financial year (2011-12). In the previous financial year, energy shortage and peak shortfall were 8.5% and 9.8% respectively.

THE INDIAN POWER SECTOR

Enabling factors for easing Demand Supply gap

Mega Power Projects	Development of Ultra Mega Power Projects (UMPPs) approximately 400 MW each, involving an estimated investment of INR 180 billion
Liberal FDI (foreign direct investment) Regime	100% FDI is permitted (except nuclear sector)
Capacity Addition	With already 181,558 MW of installed capacity, India envisages to add further 75,000 MW of power in the next five years
Enabling regulation and policy	India's power market has evolved into a competitive structure that has minimal regulatory micro management encouraging greater private sector participation
High potential	Targeted per capita consumption at the end of XI Plan is 1000 kWh
Mega Power Project status	Exemption in levy of Customs duty and Excise duty on Thermal Power Project with installed capacity above 1,000 MW and Hydro Power Project with installed capacity above 500 MW

Power generation and distribution in India

The overall power generation in India has increased from 771.55 billion units (BU) in 2009-10 to 811.14 BU in 2010-11. While thermal power generation increase by 3.8% in 2010-11, Hydro and Nuclear power generation increased by 9.9% and 40.9% respectively because of smaller base.

Year wise performance of the power sector during XI Plan period

Year	Target in BU	Achievement in BU	% of target	% growth
2007-08	710.0	704.5	99.2	6.3
2008-09	774.1	723.8	93.5	2.7
2009-10	789.5	771.5	97.7	6.6
2010-11	830.7	811.1	97.6	5.6

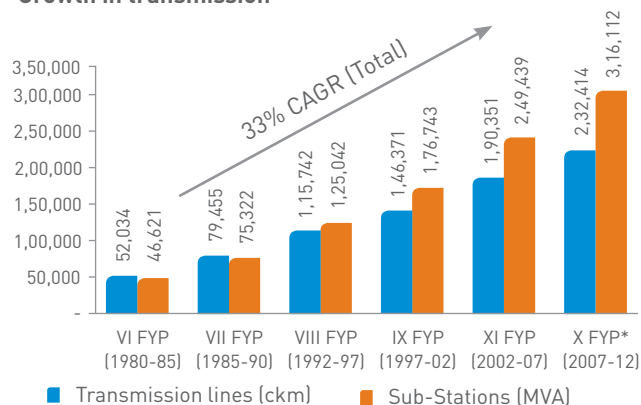
Power Transmission

In India transmission of electricity has increased from 3,708 ckm in 1,950 to more than 1,66,000 ckm, out of which 75,556 ckm is transmitted by Power Grid Corporation of India (as on 30 Sep. 2010). The entire country has been divided into five regions for transmission systems, namely, Northern Region, North Eastern Region, Eastern Region, Southern Region and Western Region.

An Integrated National Grid is being planned and is estimated to have a capacity of 2,00,000 MW and inter-regional transmission capacity of 32,000 MW by 2012. Already, the North-East-West grid is one of the largest in the world, handling over 118 GW of generation capacity. The first 800 kV high voltage direct current (HVDC) line is under implementation and the 1,200 kV technology is being tested. A smart grid pilot project has been initiated using the synchrophasor-based wide area measurement system (WAMS) technology.

Private participation in transmission has also received a boost, with recent awards of five independent power transmission company projects. This is important, given the level of future investment requirements (Rs 2,400 billion in the Twelfth Plan).

Growth in transmission



Government plan vis - a - vis achievement

The government had set a target of adding 78,700 MW of generation capacity addition in the XI Five Year Plan (2007-12). The first three years of the current plan period achieved 57%, 31% and 66% of the yearly target respectively. Total capacity addition in the first three years has been 22,302 MW which is 28% of the total target and 53% of the first 3 years target.

XI Five year Plan target vs. achievement in terms of Installed Capacity

Year	Target (MW)	Achievement (MW)	% Achieved
2007-08	16,335	9,263	57
2008-09	11,061	3,454	31
2009-10	14,507	9,585	66

[Source: Ministry of Power]

Government initiatives

- In the Union Budget 2011-12, the budgetary allocation to the power sector was increased to Rs 21,40,000 millions. This is a 23% increase from the last budget and it is expected to catalyze rural development.
- The Reserve Bank of India (RBI) waived the sectoral lending cap of 35% of net worth, applicable to non-banking financial companies (NBFCs), on state-wise lending for power projects. The removal of cap will enable NBFCs to lend more to the power sector.
- Under the R-APDRP (Restructured Accelerated Power Development & Reforms Programme), projects for strengthening and upgrading power supply in state distribution and transmission sector have been supported by the Central government with an outlay of Rs 37,000 millions.
- Launch of Smart Grid Forum under the Ministry of Power in 2010.
- Development of Rural Electricity distribution backbone and village electrification infrastructure with Rs 2,63,492 million outlay through Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY).
- Franchisee model – licensed area distribution offered to private players with linked performance metrics.
- Vision of Electrification of all the villages in India by 2012 and endeavoring towards it.
- Restructuring the SEBs to improve their economic conditions.
- Constituting Independent State Electricity Regulatory Commissions.

Renewable Energy

World over, there has been an increasing public awareness and international consensus towards addressing the problems of climate change and energy security. This has led to a move towards deploying renewable sources for energy generation, viz, the earth, sun, wind, water and biomass. India is one of the first countries to realise the importance of renewables in mitigating the ill effects of climate change. Today, installed capacity of renewable energy in the country is 20,162 MW, nearly 11% of the total 181,558 MW capacity installed. It is observed that over a period of 8-10 years the renewable grid capacity has grown more than 5 fold from contributing only 2% of the installed capacity in 2002 to 11.10% in 2011.

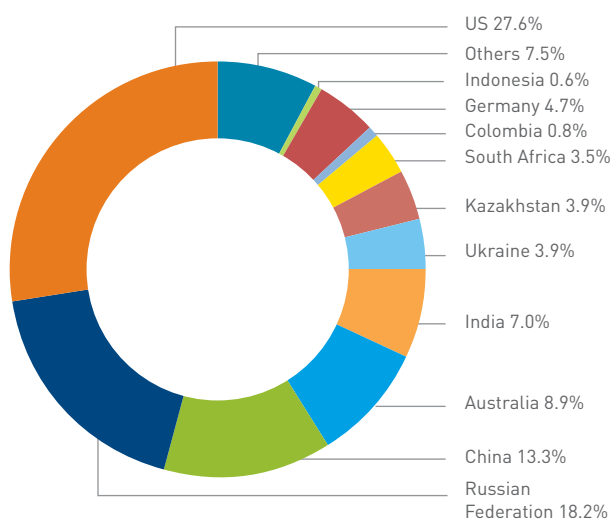
Government has planned for INR 673.95 billion of expenditure during the XI Plan period (2007-12) for RE sector.

We, in VISA Power, are also exploring all the options to venture into renewable source of power generation in future.

Global coal industry and reserves

Key facts

- World’s proven coal reserves are approx. 8,61,000 MT (at the end of 2010) which can suffice for 118 years only at current production rate.
- Coal deposits are widely distributed across the globe but 92.5% (7,96,000 MT) of the world’s proven coal reserves are found in 11 countries.
- Indonesia, having even less than 1% share towards the world’s proven coal reserves, ranks 6th amongst the largest coal producing nation.



[Source: BP Statistical Review 2011]

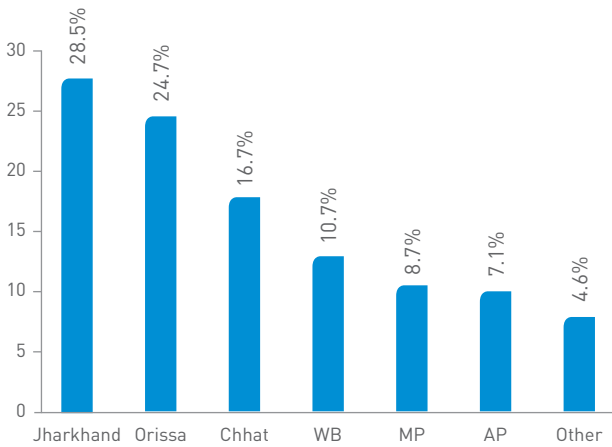
THE INDIAN POWER SECTOR

Indian coal industry

India is the world's third largest producer of coal after China and USA.

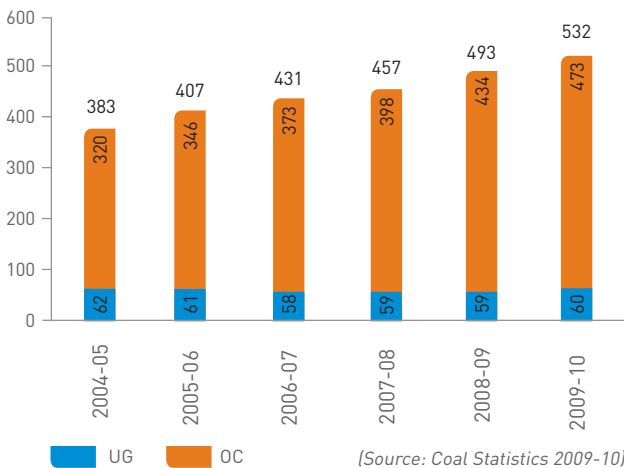
Domestically, Jharkhand, Orissa, Chhattisgarh, West Bengal and Madhya Pradesh are the leading coal producing states accounting for more than 89 % of the total coal reserves of the country.

State-wise break of Coal Reserves (BT)



Indian Coal import is growing at a CAGR of 15.03% with 90 million MT coal import in 2010, of which approximately 25 million MT is coking coal. The coal import is expected to touch 110 million MT in 2011 and 137 million MT in 2012.

Coal Production in India (MT)



Expected Coal Demand in India (MT)

Sector	2006-07	2011-12	2016-17	2021-22	2024-25
Power	322	427	553	699	804
Captive Power	28	44	63	90	112
Steel	43	54	69	90	105
Cement	25	39	61	95	123
Others	55	65	82	106	123
Total	473	629	828	1,080	1,267

(Source: Coal Vision 2025 @ 8% GDP)

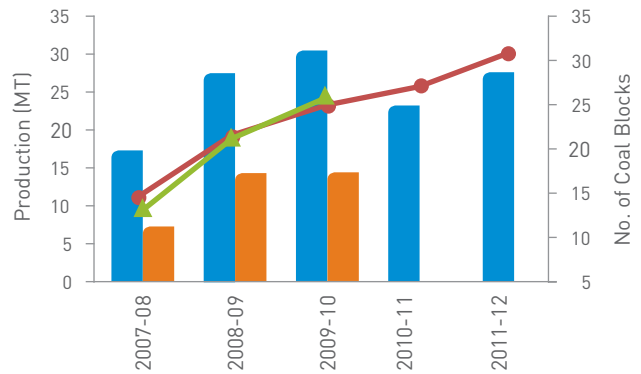
Challenges

Growth in Coal Production by Coal India Ltd (CIL) in FY-11 over FY-10 had been almost nil, putting pressure on the captive coal block allocatees for achieving development timelines.

As on March 31, 2010, 94 coal blocks have been allocated to power sector with a gross geological reserve of approx 29 billion MT and gross peak rated capacity of 481 Mtpa.

So far only 14 out of 94 coal blocks have produced 25.74 Mtpa and the balance are progressing gradually towards coal block development.

Allocation of Captive Coal Block Development



XI Five Year Plan

- Coal Block Development (Target)
- Coal Blocks Developed (Achievement)
- Total Production (Target)
- ▲ Total Production (Achievement)



Issues relating to sourcing of imported coal

Challenges in imported coal

- Huge dependence on socio-economic-political-regulatory environment of that country
- Introduction of newer mining and taxation laws: Australia and Indonesia
- Huge logistics issue with newer sources
- High cost

Acquire assets abroad

- Huge Competition
- Not easy to Operate. For e.g. Private Players, who have acquiring mines abroad, are finding it difficult to import coal and to revise its coal price
- Exposure to possibility of discouraging rules and regulations
- M&A has got its own impediments; much beyond commercial issues. For e.g.- Social Fabric, employees' morale, mutual trust etc.

Due to demand supply gap, India's coal imports may rise to 137 million MT in 2011-12 from about 90 million MT in 2009-10 impacting the overall coal prices and power tariffs in the country.

Recent policy decisions in India

- SLC (ST) has been substituted by FSA Monitoring Committee for power sector to address issues and disputes arising out of FSAs.
- Competitive Bidding of coal blocks approved by the Parliament.
- Government is working on setting up of an Independent Coal Sector Regulator to promote inter alia best mining practices, optimal development, rational pricing, coal conservation and evolution of competitive market etc.
- GOM is examining Coal Mines Nationalisation (Amendment) Bill 2000 to allow mining by private companies without restriction.
- Clean Energy Cess of Rs 50 per tonne levied from July 2010. This is applicable to imported coal also.

Ministry of Commerce is deallocating / issuing warning letters in case of non achievement of timelines. At the same time, Government of India has initiated measures to increase coal production in India through agreeing to speed up the Forest and Environmental Clearances.

CORPORATE SOCIAL RESPONSIBILITY

VISA Group always believes in society to be an important stake holder in its activities. As a responsible and committed corporate citizen, the Group endeavors to make a positive contribution to the community by supporting a wide range of socio-economic, educational and health related initiatives.

Education



- Established two premier educational institutions in Kolkata – ‘The Heritage School’ and ‘The Heritage Institute of Technology’, through the Kalyan Bharti Trust
- Introduced scholarship opportunities for brilliant and needy students
- Offered scholarships to underprivileged girl students at the Smt Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh
- Instituted libraries and science labs to enhance computer literacy at the Smt. Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh
- At Raigarh, Chhattisgarh, the Company has joined hands with the State Government to promote education by providing school uniform, shoes, school bags and other educational kits and also financial assistance to the selected students
- At Dumarpali, Chhattisgarh, the Company has conducted ‘Saakshar Bharat Mission’, an orientation workshop on literacy drive to promote and strengthen adult education, especially to women

- Planned to set up world-class, professionally managed primary and secondary schools in Bhubaneswar and Raipur, with facilities for extracurricular activities and sports

Healthcare

- Medical check-up camps organized in the backward areas of Orissa and Chhattisgarh
- Animal Health Camp organized where domestic animals were treated and immunized with the foot and mouth disease vaccine
- Conducted awareness building programme on ‘green grassing’ and ‘nutritious grassing’
- Contributed to the construction of a blood bank in Jajpur, Orissa
- Campaigned towards raising awareness on treatment of common diseases and hygiene along with providing free medicines and medical facilities
- Donated beds to the ailing ones at Dhanagadi Hospital at Kalinganagar, Orissa
- Donated cots, beds, bedcovers, pillows and pillow covers to the residents of the Leprosy Colony at Kalinganagar, Orissa





Sports & Culture

- Actively promotes contemporary Indian art through exhibitions and organizes painting competitions to promote talented young artists
- Sponsors the VISA Cup – the Annual Ladies Golf Tournament at the Tollygunge Club in Kolkata
- Sponsors sporting activities, particularly cricket tournaments in Kotmar and Patrapalli villages in Chhattisgarh
- Provided financial sponsorship for seminars and performance for mentally and physically challenged person



Safety & Environment

- Launched water harvesting initiatives to protect ground water levels
- Planted 43,000 trees in and around the plant through a plantation drive. More plantation schemes are in the offing

- VISA Group plans to make use of washed coal in its operations to reduce the ash proportion in raw material and carbon dioxide emissions
- The Company proposes to use ash bricks in the construction of the plant and its township

Rural Development

- Maintaining an ongoing approach towards sustainable income generation and women empowerment
- Actively supporting the state government's 'Kanyadan' scheme by providing financial assistance during the marriage of a girl belonging to a BPL family
- Installed bore-wells for providing clean drinking water in the under developed areas of Orissa
- Provided employment according to the rehabilitation policy of the Government
- Constructed boundary wall for the local school in Jajpur, Orissa
- Contributed substantially towards renovation of various temples in Orissa
- Constructed water tanks for locales of Devri and Dumarpali villages at Chhattisgarh
- Conservation of ground water and excavation of two ponds at Devri and Dumarpali were also initiated
- Constructed a 70 metre long road approaching the pond at Devri
- Recently the Company had taken up a project to bring electricity at a village Bramhanbasta in Orissa covering it partially



BOARD OF DIRECTORS

Mr. Vishambhar Saran

Chairman



Spanning more than 40 years, Mr. Saran's career profile in the iron and steel industry covers stints as Director (Raw Materials) of Tata Steel before taking the charge of the Chairman of the VISA Group in 1994. For more than 25 years with Tata Steel he had also the distinction of spearheading the company with his expertise in the fields of operations and development of mines, mineral beneficiation plants and ferro alloy plants, port operations and international trading of raw materials for the iron and steel industry. Mr. Saran, a mining engineer from Benaras Hindu University played an important role in raising VISA Group to the country's happening minerals and metals conglomerate within a very brief span of time. Under his directives, VISA Group has made its presence felt strongly at Australia, China, Indonesia, Singapore, South Africa and Switzerland. He is the Past President of ICC and Honorary Consul of Bulgaria for Eastern India.

Mr. Maya Shanker Verma

Independent Director



With a thorough knowledge of Indian financial systems and its regulatory regimes as well, Mr. Verma, as a career banker spent more than four decades in different facets of banking at national and international levels handling commercial, developmental and investment banking with forte in asset management and capital market operations. A Master of Arts and Certified Associate of Indian Institute of Bankers, Mr. Verma has contributed significantly to the Indian banking fraternity as Chairman, State Bank of India, IDBI Bank and Telecom Regulatory Authority of India.

Mr. Shardul S Shroff

Independent Director



With his 30 years of wide and varied experience, Mr. Shroff, the Managing Partner of Amarchand & Mangaldas and Suresh A Shroff & Co., India's leading law firm, is an instrumental in the areas of infrastructure, projects & project finance, privatization & disinvestment, banking & finance, capital markets and commercial contracts. He also holds prestigious positions on the Boards of IDFC Limited, Ashok Leyland Limited, Jubilant Organosys Limited, Hindustan Media Ventures Limited and Jindal Power Limited.

Mr. Ashok Basu

Independent Director



As a member of Indian Administrative Service for more than 38 years, Mr. Basu has contributed significantly in formulating new policy initiatives in the industry and minerals sectors at the national and state levels and pioneered reform, restructuring and modernization of India's iron and steel industry and the electricity sector as Secretary, Ministry of Steel and Secretary, Ministry of Power. A First Class First in Bachelor of Arts (Economics), Mr. Basu joined the Indian Administrative Service in 1965. He was also the Chairman of Central Electricity Regulatory Commission during 2002-2007 and made a remarkable move by formulating the Electricity Act, 2003. Mr. Basu is currently on the Boards of various reputed companies as an Independent Director. Recently he has joined The Energy and Resources Institute (TERI) as a visiting Distinguished Fellow.

Mr. Chandan Roy

Independent Director



Mr. Chandan Roy holds a 1st Class Bachelor Degree in Engineering and has an enriched professional experience of 38 years, including 33 years with NTPC Limited in various capacities. Prior to joining the Company's Board, he was Director - Operations, NTPC Limited. Mr. Roy has wide exposure in product design, plant engineering and O & M processes with special achievements in independent design & analysis of large coal fired boilers. He was instrumental in many of the successful engineering of major segments of NTPC fleet. He had taken multiple new initiatives related to development of boiler analysis, simulation software 'flame track' and complete business process automation at NTPC Engineering Division.

Mr. Roy has attended various training programmes in India & abroad and presented technical papers. He was a Director on the Board of West Bengal Power Development Corporation Limited.

Mrs. Saroj Agarwal

Non-Executive Director



Mrs. Agarwal laid the foundation of the VISA Group in 1983. Under her guidance and teachings on upholding the spirit and values of the organization, VISA Group has surged towards its phenomenal success.

A Bachelor of Arts from Benaras Hindu University, she is pioneer in all philanthropic activities and a dynamic member of the company's CSR plan. She is a regular contributor to the community through the VISA Trust where she is a trustee. She is currently the Managing Director of VISA International Limited.

Mr. Vishal Agarwal

Non-Executive Director



The driving force behind many of the Company's strategy including finance, marketing and human resource initiatives of VISA Steel Ltd., Mr. Agarwal has successfully managed the role of the key decision maker of overall management

of operations and implementation of projects. He has hands on experience of setting up greenfield projects at Golagaon and Kalinganagar, Orissa. His experience in iron and steel sectors goes beyond 13 successful years. Mr. Agarwal is a graduate from London School of Economics and has a Master's Degree in Economics for Development from Oxford University. Mr. Agarwal is a Committee Member of the CII – Eastern Region Council and Young Presidents' Organization (YPO), Kolkata Chapter

Mr. Vivek Agarwal

Non-executive Director



Mr. Agarwal has played a major role in developing the minerals, metals and shipping business of the VISA Group and acted as a decision maker in the Group's Joint Venture with Baosteel.

Mr. Agarwal is the Managing Director of VISA Resources Pte Ltd., Singapore. From 2002 to 2004, Mr. Agarwal has contributed significantly as a Senior Consultant with Booz Allen Hamilton, London, a renowned global strategy consulting firm before joining the VISA Group. He holds a Master's degree in Manufacturing Engineering from Trinity College, Cambridge University.

Mr. Vikas Agarwal

Managing Director



As Managing Director of VISA Power Limited, Mr. Agarwal is responsible for the overall implementation of the Thermal Power Projects of the company.

He holds a Master's Degree in Manufacturing Engineering from Trinity College, Cambridge University, U.K. and has 12 years of industry experience in international trade, shipping and coal & power businesses. He was responsible for nurturing and developing the global coal and coke businesses of VISA Group.

Mr. Agarwal is a member of the Executive Committee of the Indian Chamber of Commerce, a Member of the FICCI Power Committee and a member of the Young President's Organization.

Mr. Subrato Trivedi

Director



A Mechanical Engineer from the Government Engineering College, Bilaspur, Ravi Shankar University, Raipur with more than 40 years of strong experience, Mr. Trivedi is currently responsible for implementation and

administration of the Company's Power projects. He is an astute and result oriented professional with 38 years of invaluable hands on working experience with many big names of the industry like SAIL, BHEL, NTPC and Adani Power Limited. He had headed NTPC eastern and western region and was responsible for commissioning of the 500 MW unit at Talcher Kaniha, which was shortlisted by IPMA amongst best 5 projects in the world.

INDIAN OPERATIONS



Overview

The 17 year old business conglomerate has its footprints in the minerals, metals and energy businesses, both in India and overseas. The Group has presence in Australia, China, Indonesia, Singapore, South Africa and 14 locations across India .

VISA Steel

A market leader in the supply of Special Steel, Ferro Chrome and LAM Coke, VISA Steel is setting up an integrated 1.0 million TPA Special and Stainless Steel Plant along with a 375 MW Captive Power Plant at Kalinganagar, Orissa.

The Company plans to set up a fully integrated 2.5 million TPA Steel Plant with 500 MW Captive Power Plant at Raigarh, Chhattisgarh and a 1.25 million TPA Steel Plant, 0.10 million TPA Manganese Alloy Plant with 300 MW Captive Power Plant in Madhya Pradesh.

The shares of the Company are listed in the Bombay Stock Exchange and the National Stock Exchange.

Current facilities at Kalinganagar, Orissa

Facility	Capacity	Technology
Pig Iron Plant	2,25,000 TPA	TRF, India
Coke Oven Plant	4,00,000 TPA	Shanxi, China
Ferro Chrome Plant	50,000 TPA	Ghalsasi, India & Pyromet, SA
Sponge Iron Plant	3,00,000 TPA	Ottokumpu (Lurgi), Germany
Captive Power Plant	75 MW	BHEL & Issec John Thompson
Steel Melt Shop	5,00,000 TPA	SMS Siemag, Germany & Siemens VAI India
Bar & Wire Rod Mill	5,00,000 TPA	SMS Meer, Italy & Tenova Hypertherm, India

VISA Bao

A JV between VISA Steel (with 65% stake) and Baosteel – the third largest steel maker in the World and the largest steel manufacturer in China. The Company is setting up a 100,000 TPA Ferro Chrome Plant at Kalinganagar in Orissa. The Company will add value to the locally available Chrome Ore and Chrome Concentrates into Ferro Chrome.



VISA Resources India Limited

The Company is active in the international trading of bulk raw materials primarily in carbon products such as Thermal Coal, Coking Coal and Metallurgical Coke. The company has emerged as one of the top five suppliers of coal in Indian private sector.

The Company has its presence in various ports in India. With over 16 years of experience in coal businesses, strong domestic presence, competent and committed employees, the Company is strategically placed for strong growth in future. VISA Comtrade provides single point end-to-end services for the procurement and logistics of its products.

Carbon Products



Thermal Coal

India is a large and rapidly growing market for imported thermal coal, mainly sourced from Indonesia and South Africa. Strong growth in the power sector and limited increase in domestic coal production may lead import of coal to grow at about 20-25% over the next few years.



Coking Coal

India's imports of coking coal have seen an average CAGR of about 8% over the last 15 years. Over the next 5 years, the growth in import of coking coal is likely to be around 10% p.a. to support the rapid growth in steel production. Australia remains the dominant source of imported coking coal for India.



LAM (Low Ash Meteorological) Coke

Driven by the expanding iron and steel production, India's coke import has grown significantly over the last 5 years,. China has been the main coke supplier to India.

INTERNATIONAL ASSOCIATES



VISA Resources

The Company is involved in international trading of Carbon products (including Thermal Coal, Coking Coal, and LAM Coke), Minerals and Metals (including Iron Ore, Chrome & Manganese Ore, Ferro Alloys, Bauxite, Alumina, Aluminum and Iron & steel).

VISA Bulk Shipping

The Company is involved in hedging and trading in freight derivatives through buying and selling of Forward Freight Agreements (FFAs).

The combined knowledge and understanding of the shipping business as well as the commodity trading has enabled the Company to be well positioned for good decision-making in the volatile freight markets.

Ship chartering and operations

- The Company charters and operates dry bulk vessels of various sizes for related companies and third parties
- The Company balances its shipping portfolio through a combination of period and spot charters as well as FFA

Port operations and logistics

- The port operations team helps improve the turnaround time of the vessels at the load and discharge points. They also monitor inventory at ports and control the inward and outward movement of cargo
- Dedicated port operations personnel are placed in key ports. In addition, centralised teams in India, China and Indonesia travel to various ports at the time of shipment to ensure faster operation



Mining

The Group has investments in greenfield and operational assets in Australia and Indonesia. It has also invested in mining and beneficiation in Africa and Middle East.

The target mining investments is set through companies in Singapore, Indonesia, Australia and South Africa with a view to contribute to volume as well as margin growth.

Focused approach

The mining activities are focused on a selected set of resources and geographies. The Company has a core functional team with expertise in geology and mining.

Products

The Company is constantly seeking investment opportunities in Coking Coal, Thermal Coal, Iron Ore, Chrome Ore, Manganese Ore, Bauxite and Nickel trading business to secure raw material liquidity and create synergies with its manufacturing & trading businesses.

Geographies

Indonesia, Australia and Africa being the primary focus countries, the Company is also open to other opportunities globally that can help target the growing demand for commodities in the Asian market.

Assets

The Company is focused in maintaining a mix of early stage and late stage projects in order to balance value appreciation and cash flow generation.

REPORT OF THE DIRECTORS



Dear Members,

Your Directors have pleasure in presenting the Sixth Annual Report and Audited Accounts of VISA Power Limited for the financial year ended 31 March 2011.

Financial Results

Particulars	(Rs million)	
	2010-11	2009-10
Income	22.48	38.86
Profit before Tax	2.05	7.45
Tax - Current	2.66	3.16
- Deferred	-	(0.07)
Profit after Tax (after adjustment of provision for tax no longer written back)	0.35	4.36
Balance brought forward from previous year (after adjustment of Bonus Issue)	0.11	11.74
Surplus carried to Balance Sheet	0.46	16.11

“The Government of India’s ‘Power for All by 2012’ mission signifies an ambitious planned capacity addition of 78.7 GW by 2012, of which nearly half of the investments will be from the private sector.”

Power Scenario

India, the second fastest growing economy with an average 8% GDP over the past three years has experienced an unprecedented development in the Power Sector from a mere 1,362 MW generation capacity during independence in 1,947, to 1,74,911.40 MW today.

34,462 MW of capacity has been added during the first four years of the XI Five Year Plan (2007-12) against the revised target of 62,374 MW - the original target being 78,700 MW. This is 163% of the capacity added during X Five Year Plan period (2002-07).

The ambitious mission of ‘Providing Power for all by 2012’ can be accomplished only when the efforts of Government are strongly supported and complemented by the private sector.

Recognizing the need for comprehensive legal and a policy framework conducive to a larger and more sustained investment in the power sector, the Government has introduced robust and investor friendly measures comprising; delicensing of the generation sector, operationalising open access in transmission, recognizing power trading as a licensed activity, developing electricity markets, procuring power through competitive bidding process by distribution companies coupled with allocating captive coal blocks to private companies and providing fiscal and tax incentives.

A Five year sectoral review portrays that the share of private companies in the power generation has risen from 11.6% of capacity addition in 2006 to 20% in 2010 which is expected to further rise up to 30% during the XI Plan and 60% during the XII Plan period (2012-2017). The power sector will attract an investment of USD 200 billion in the next five years.

The relentless effort of the Union Government to cater affordable, quality and reliable power in a commercially viable and environmentally sustainable manner have set the stage to foresee India as a future Economic Global Powerhouse.

Operations

Power projects

Your Company is in the process of setting up the following pit head, coal based, Independent Power Projects (IPPs) namely:

- (a) 1,260MW (1x600 + 1x660 MW), IPP at Raigarh in the State of Chhattisgarh
- (b) 1,320 MW (2x660 MW), IPP at Cuttack, in the State of Orissa
- (c) 2,640 MW (4x 660 MW), IPP in the State of Jharkhand

The project implementation at various locations, especially at Chhattisgarh and Orissa are advancing at an accelerated pace. Progress made by your Company in the projects is enumerated below:

Chhattisgarh

The financial closure for the 1st unit (600 MW) of the project is completed by tying up the debt portion with a Consortium of Lenders. The Company is on the verge of financial closure for the 2nd unit and related infrastructure. The Company has already acquired land for construction of the project. Public Hearing of EAC (Expert Appraisal Committee) has been successfully completed and the final environmental clearance from the Ministry of Environment & Forests (MoEF) is expected shortly.

Other milestones achieved under the project include:

- Acquisition of land.
- Allotment of water and Coal block.
- Placement of BTG (Boiler Turbine Generators) and BoP (Balance of Plant) orders to Bharat Heavy Electricals Limited (BHEL) and Larsen & Toubro (L&T) respectively.
- Bulk Power Transmission Agreement (BPTA) contract with Power Grid Corporation of India Limited (PGCIL).
- Power Purchase Agreement (PPA) with Chhattisgarh State Power Trading Corporation Limited for 424 MW and West Bengal State Electricity Distribution Company Limited for 200 MW.

A super critical technology for the 2nd unit for 660 MW is being adopted over sub critical technology to make it more environment friendly.

Orissa

Rs 82,000 million - 2x660 MW power plant in Orissa is in the offing. Progress on the project includes:

- Acquisition of land from IDCO.
- Allotment of water.
- Completion of Public Hearing for Environmental Clearance (EC).
- Execution of PPA with GRIDCO.

The Company has invited bids for supply of BTG package through an International Competitive Bidding process and shall finalize the same in due course. The Company is also striving to achieve other important milestones such as grant of EC, execution of BPTA, finalization of BOP package(s) and securing coal linkage from Coal India Ltd or its subsidiary.

Jharkhand

The 2,500 MW independent power plant in the state of Jharkhand is set to become a 2,640 MW (4x660 MW) IPP.

This is in line with the revision of the Coal Linkage Policy, Ministry of Coal, and Government of India in July, 2009 whereby an extra coal linkage to the extent of 20% can be availed.

A revised Coal Linkage application for 2,640 MW to the Ministry of Coal, Government of India for grant of long term coal linkage from suitable coal mine(s) has been

submitted. The Company has surveyed various sites for setting up the project and will finalize a site shortly and initiate land acquisition and all other statutory formalities for setting up the project.

Joint venture company

As reported last year, your Company has invested into Joint Venture Company; "Fatehpur East Coal Private Limited" to explore, prospect, develop/exploit, the Captive Coal Block, which has been co-allotted from the Fatehpur East non-coking coal block in the State of Chhattisgarh. Till date, your Company has invested Rs 22.7 million (holding 22.03% share capital in the Company).

Your Company has also incorporated Joint Venture Company named "Fatehpur Logistics Private Limited", with two other partners AIP Power Private Limited and RKM Powergem Private Limited. The objective is to develop and operate a railway line from Fatehpur East Captive Coal block (situated in Mand Raigarh Coalfields, Chhattisgarh), to the plant site, for transportation of coal, from the Fatehpur East Coal Block.

Subsidiary company

During the year, your Company incorporated three wholly owned subsidiary Companies:

- VISA Power Trading Company Limited for carrying on the business of distribution and retail sale of power. Your Company shall assign its trading license issued by Central Electricity Regulatory Commission in favour of this subsidiary Company.
- VISA Power (Orissa) Private Limited, for efficient project management and execution of the 1,320 MW Thermal Power Plant in the State of Orissa.
- VISA Power (Jharkhand) Private Limited for effective project management and execution of the 2,640 MW Thermal Power Project in the State of Jharkhand.

Increase in share capital

In accordance with the approval of the members in the Fifth Annual General Meeting, Company allotted 15,99,306 equity shares of Rs 10 each as bonus shares, ranking pari passu with the existing equity shares. The bonus shares were issued in the proportion of 1 equity share for every 100 equity shares held by the existing shareholders.

Further, in order to meet its fund requirements for the project implementation, your Company issued and allotted

86,00,000 equity shares of Rs 10 each to the Holding Company, VISA Infrastructure Limited, on right basis. The increased paid-up share capital of the Company after this allotment is Rs 1,701.30 millions.

Dividend

In view of the Company being in its project stage, your Directors have considered it prudent not to recommend any Dividend for the financial year ended 31 March 2011.

Directors

Mr. Vikas Agarwal was appointed as Managing Director with effect from 1 October 2010 for a term of three years at a revised remuneration as approved by the Members at the Extraordinary General Meeting held on 11 December 2010.

Mr. Chandan Roy and Mr. Subrato Trivedi, were appointed as Additional Directors in the Board Meeting held on 28 September 2010 and they will hold office upto the date of the forthcoming Annual General Meeting. Mr. Roy has joined the Board as an Independent Director and will be liable to retire by rotation. Mr. Trivedi has been appointed as the Whole Time Director of the Company with effect from 1 October 2010 for a term of three years at a remuneration approved by the Members at the Extraordinary General Meeting held on 11 December 2010.

The appointment of Mr. Chandan Roy and Mr. Subrato Trivedi, requires the approval of the members at the forthcoming Annual General Meeting and forms part of the notice for the forthcoming Annual General Meeting.

Mrs. Saroj Agarwal, Mr. Vivek Agarwal and Mr. Maya Shanker Verma are liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

Audit committee

In compliance with the provisions of Section 292A of the Companies Act, 1956, an Audit Committee of the Board of Directors of the Company comprising of the following members is in place:

Name of the Director	Designation
Mr. Maya Shanker Verma	Chairman, Independent Director
Mr. Ashok Kumar Basu	Member, Independent Director
Mr. Vishal Agarwal	Member, Non-Executive Director
Mr. Vivek Agarwal	Member, Non-Executive Director

Remuneration committee

The Board of Directors had re-constituted the Remuneration Committee, comprising of the following members:

Name of the Director	Designation
Mr. Ashok Kumar Basu	Chairman, Independent Director
Mr. Maya Shanker Verma	Member, Independent Director
Mr. Shardul Suresh Shroff	Member, Independent Director

Directors' responsibility statement

In terms of provision of Section 217(2AA) of the Companies Act, 1956, your Directors confirm as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

Auditors

M/s. S.R. Batliboi & Co. Chartered Accountants and M/s. Ray & Ray, Chartered Accountants, Kolkata, Joint Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend re-appointment of the Joint Statutory Auditors, M/s. S.R. Batliboi & Co. Chartered Accountants and M/s. Ray & Ray, Chartered Accountants,

from the conclusion of the ensuing Annual General Meeting till the conclusion of the seventh Annual General Meeting.

With regard to the Sl. No. (ix) (a) of the Auditors Report, your Company was in initial stage of implementation of it's project and there was one stance of irregularity which has been duly regularized by the Company.

Foreign exchange earnings & outgo

Particulars with respect to foreign exchange earnings and outgo during the year under review are set out below:

Particulars under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

Particulars	(Rs)	
	2010-11	2009-10
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo		
Traveling	9,20,033	10,80,542

Public deposit

The Company has not accepted any deposit from the public during the year under review.

Conservation of energy and technology absorption

No disclosure is required to be given under section 217(1) (e) of the Companies Act, 1956. The Company has so far

not undertaken any research and development of any technology in the areas relating to Company's Business.

Particulars of employees

Particulars of employees as required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are set out in Annexure I to this report.

Acknowledgement

Your Directors wish to place on record their sincere appreciation for the continued cooperation and patronage extended by the various Government and Regulatory Authorities, Bankers, Financial Institutions, Shareholders and all other Business Associates of the Company. Your Directors also wish to place on record deep gratitude for the unwithering efforts and contribution made by the employees at all levels putting the Company on a higher growth trajectory.

Date : 13 June 2011

Place : Kolkata

For and on behalf of the Board

Vikas Agarwal
Managing Director

Subrato Trivedi
Director Projects

ANNEXURE I

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) and forming part of Director's Report for the year ended on 31 March 2011

A. Employed throughout the year

Sl. No.	Name	Designation	Remuneration (Rs)	Qualification	Experience (years)	Date of Joining	Age	Last Employment, Designation, Employer
1.	Subrato Trivedi	Director - Projects	79,36,363	BE (Mechanical)	38	2 November 2009	61	President, Adani Power Ltd.

B. Employed for part of the year (w.e.f. 1 October 2010 to 31 March 2011)

Sl. No.	Name	Designation	Remuneration (Rs)	Qualification	Experience (years)	Date of Joining	Age	Last Employment, Designation, Employer
1.	Vikas Agarwal	Managing Director	75,67,729	ME (Manufacturing Engineering)	13	1 October 2010	36	Managing Director, VISA Power Ltd.

Notes:

1. Remuneration includes Salary, House Rent Allowance, Company's contribution to Provident Fund and Perquisites. Value of perquisites have been calculated on the basis of Income-Tax Act, 1961.
2. Information about qualification and last employment are based on particulars furnished by the employees concerned.
3. None of the employees or their spouses or dependant children hold any equity shares in the Company.
4. Nature of employment in all cases is contractual in nature.

Date : 13 June 2011

Place : Kolkata

For and on behalf of the Board

Vikas Agarwal
Managing Director

Subrato Trivedi
Director Projects

REPORT ON CORPORATE GOVERNANCE



Corporate governance: our philosophy

Corporate Governance is concerned with the code of values and principles which guide a person to select the right or wrong alternative. It is about selecting a particular course of action from amidst various alternative options and conflicting interests of various parties, which seeks to benefit the majority of stakeholders. In short, good Corporate Governance practices reinforces investors' confidence by building transparency & trust through greater disclosure and better accountability & responsibility thereby bringing in stability & growth.

VISA Power Limited (the Company), firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company believes that best board practices, transparent disclosure, employee empowerment and appropriate whistle blower policy are necessary for creating shareholder value without compromising on integrity, social obligations and regulatory compliances.

The Company's philosophy on Corporate Governance envisages the attainment of transparency, professionalism and accountability in all facets of its operations and in all interactions with its stakeholders, including Shareholders, employees, the Government and the lenders. The Board of Directors fully supports corporate governance practices in your Company with appropriate checks and balances at right places and at right intervals.

Compliance with the code on corporate governance

The Company, being an unlisted Company is not mandatorily required to comply with the requirements of Clause 49 of the Listing Agreement. However, this Report has been modelled on the requirements of Clause 49 as the Management believes that, in view of the stringency being imposed by regulatory authorities, it would be beneficial for the Company to initiate corporate governance measures from early stages.

I. Board of Directors

■ Composition of the Board

Board / Committee Position as on 31 March 2011

Name of Director	Executive / Non-Executive/ Independent*	No. of Outside Directorship(s) held			Outside Committee positions held**	
		Public	Private	Foreign	Chairman	Member
Mr. Vishambhar Saran	Non-Executive Chairman	12	-	1	-	-
Mr. Maya Shanker Verma	Non-Executive, Independent	5	2	-	3	2
Mr. Ashok Kumar Basu	Non-Executive, Independent	8	1	-	-	3
Mr. Shardul Suresh Shroff	Independent Director	5	5	-	-	2
Mr. Chandan Roy	Non-Executive, Independent	1	-	-	-	1
Mrs. Saroj Agarwal	Non-Executive	9	-	-	1	-
Mr. Vishal Agarwal	Non-Executive	13	-	-	2	1
Mr. Vivek Agarwal	Non-Executive	9	-	9	-	3
Mr. Vikas Agarwal	Managing Director	11	2	-	-	4
Mr. Subrato Trivedi	Whole-Time Director	-	1	-	-	-

*Independent director is as defined in Clause 49 of the Listing Agreement.

**For this purpose, only two Committees, viz., the Audit Committee and the Shareholders' / Investors' Grievance Committee have been considered. This excludes Committee positions in private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

Mr. Roy and Mr. Trivedi were appointed as Additional Director at the Board Meeting held on 28 September 2010.

■ Details of Board Meeting and attendance

Date of Board Meeting	City	No. of Directors Present
30 June 2010	Kolkata	6
28 September 2010	New Delhi	8
27 December 2010	Kolkata	6
31 March 2011	New Delhi	10

■ Details of attendance at Board Meetings and remuneration paid to Board of Directors

A. Non-Executive Directors

Name of Director	Sitting Fees paid*	No. of Board Meetings		Attended Last AGM**
		Held	Attended	
	(Rs)			
Mr. Vishambhar Saran	70,000	4	4	Yes
Mr. Maya Shanker Verma	65,000	4	3	No
Mr. Ashok Kumar Basu	95,000	4	4	Yes
Mr. Shardul Suresh Shroff	50,000	4	2	No
Mr. Chandan Roy	40,000	4	2	No
Mrs. Saroj Agarwal	50,000	4	3	Yes
Mr. Vishal Agarwal	85,000	4	4	Yes
Mr. Vivek Agarwal	20,000	4	1	No
Total	4,75,000			

Note:

*During 2010-11, the sitting fees was increased to Rs 20,000 per Board Meeting and Rs 10,000 per Committee Meeting with effect from 28 September 2010. No other remuneration, either as commission or otherwise is paid to the Non-Executive Directors.

**Annual General Meeting was held on 29 July 2010

B. Executive Directors

Relationship with other Directors		Business relationship with the Company, if any	Remuneration paid during 2010-11			
			All elements of remuneration package, i.e. salary, benefits, bonuses, etc. (Rs)	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Vikas Agarwal	See Note (a)	Managing Director	75,67,729	See note(b)	See note (c)	See note (d)
Mr. Subrato Trivedi	See Note (a)	Whole Time-Director	55,91,163	See note(b)	See note (c)	See note (d)

- (a) Mr. Vikas Agarwal is son of Mr. Vishambhar Saran and Mrs. Saroj Agarwal and brother of Mr. Vishal Agarwal and Mr. Vivek Agarwal. Other than this, none of the other Directors are in any way related to any other Director.
- (b) Mr. Vikas Agarwal had been appointed as Managing Director w.e.f. 1 August 2006 for a period of 5 years wherein he is entitled to a commission @ 2% of the net profits of the Company computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956. Mr. Agarwal has been re-appointed as the Managing Director for a period of 3 years with effect from 1 October 2010. As per the terms and conditions of his re-appointment including remuneration he is entitled to annual performance linked incentive subject to a maximum limit of 9 months salary effective from 1 October 2010. Accordingly, Mr. Agarwal is entitled to a commission of Rs 57,819 for the period April 2010- September 2010. The commission shall be payable after the Annual Accounts have been approved and adopted by the shareholders.
- (c) At the Extraordinary General Meeting held on 11 December 2010, Mr. Vikas Agarwal had been re-appointed as the Managing Director of the Company w.e.f 1 October 2010 for a period of 3 years. The appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.
- At the Extraordinary General Meeting held on 11 December 2010, Mr. Subrato Trivedi had been appointed as the Whole Time Director, designated as Director-Projects for a period of 3 years w.e.f 1 October 2010. The appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.
- (d) The Company currently does not have any scheme of stock options for its Directors or its employees.
- (e) During the financial year 2010-11, 4 Board Meetings were held, Mr. Vikas Agarwal, Managing Director was present in all the meetings and Mr. Subrato Trivedi, Whole Time Director, Director-Projects was present in both the meetings held after his appointment. Mr. Vikas Agarwal attended the Annual General Meeting held on 29 July 2010.

II. Board Committees

■ Audit committee

The Audit Committee comprises of 4 directors, all non-executive directors, out of which 2 are independent directors, details given as under:

- Mr. Maya Shanker - Independent Director
Verma, Chairman
- Mr. Ashok Kumar Basu - Independent Director
- Mr. Vishal Agarwal - Non-Executive Director
- Mr. Vivek Agarwal - Non-Executive Director

All members of the Audit Committee are financially literate and possess requisite accounting or financial management expertise.

The broad terms of reference of the Audit Committee are:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with the management the internal control systems, internal audit functions, observations of the auditors, periodical financial statements before submission to the Board.
3. Recommendation of matters relating to financial management and audit reports.
4. The Committee is authorized to investigate into matters contained in the terms of reference or referred / delegated to it by the Board and for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.

During the year 2010-11, the Committee met twice on 30 June 2010 and 27 December 2010 and the details of attendance by the Committee members are as given under:

Name of Director	No. of meetings	
	Held	Attended
Mr. Maya Shanker Verma	2	1
Mr. Ashok Kumar Basu	2	2
Mr. Vishal Agarwal	2	2
Mr. Vivek Agarwal	2	-

The Audit Committee was constituted at the Board Meeting held on 5 September 2006 and further re-constituted at the meetings held on 31 July 2007, 31 March 2008 and 31 March 2009 to accommodate changes in the composition of the Board.

■ Remuneration committee

At the meeting held on 30 June 2010, the Board of Directors of the Company constituted the Remuneration Committee to recommend suitable remuneration packages to Directors and Senior Management. The Committee comprises of 3 directors, all independent directors, details given as under:

- Mr. Ashok Kumar Basu - Independent Director
Chairman
- Mr. Maya Shanker Verma - Independent Director
- Mr. Shardul Suresh Shroff - Independent Director

During the year one Remuneration Committee meeting was held on 28 September 2010, which was attended by all the Committee members.

III. SUBSIDIARY COMPANIES

The Company has incorporated three wholly owned subsidiaries namely,

- i. VISA Power Trading Company Limited for carrying on the business of distribution and retail sale of power.
- ii. VISA Power (Orissa) Private Limited, a SPV for efficient project management and execution of the Thermal Power Projects in the State of Orissa.
- iii. VISA Power (Jharkhand) Private Limited, a SPV for efficient project management and execution of the Thermal Power Projects in the State of Jharkhand.

IV. DISCLOSURES

■ Related party transactions

A comprehensive list of Related Parties and their transactions as required by AS-18 issued by the Institute of Chartered Accountants of India, forms part of Note 13, Schedule 16 to the Accounts in the Annual Report and is placed before the Audit Committee.

■ Disclosure of accounting treatment

The accounting treatment in the preparation of financial statements is in line with that prescribed by the Accounting Standards notified by the Companies' Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

■ Risk management

The Company periodically identifies, assesses, monitors and mitigates risks associated with project implementation, interest rate fluctuation, processes and systems, statutory compliances, HR policies etc. These risks are broadly classified under three heads: Operational, Financial and Strategic.

■ Remuneration of Directors

All details of remuneration to Directors have been disclosed above.

The Non-Executive Directors do not hold any direct shareholding in the Company. However, the following Directors hold shares as nominees of VISA Infrastructure Limited, the Holding Company, as on 31 March 2011:

Name of Director	No. of shares held
Mr. Vishambhar Saran	10,000
Mr. Maya Shanker Verma	-
Mr. Ashok Kumar Basu	-
Mr. Shardul Suresh Shroff	-
Mr. Chandan Roy	-
Mrs. Saroj Agarwal	10,000
Mr. Vishal Agarwal	5,000
Mr. Vivek Agarwal	5,000

■ Details of Directors appointed / re-appointed

Details of Directors being appointed / re-appointed, have been disclosed in the Notice for the AGM, i.e. a brief resume, nature of expertise in specific functional areas, names of directorships and committee memberships and their shareholding in the Company.

■ Means of communication

Any website, where displayed	- www.visapower.net
Presentation to investors / analysts: are they available on the website	- will be made available as and when made
Whether Shareholder Information Report forms part of the Annual Report	- Yes

- **General body meetings**

- **Current AGM, date, time and venue:**

The forthcoming Annual General Meeting will be held on Friday, 8 July 2011 at 1600 hours at the Registered Office of the Company at "VISA House", 4th Floor, 8/10 Alipore Road, Kolkata 700027.

Location and time, where last three AGMs held:

Year	Location	Date	Time	Whether special resolutions passed
2009-10	"Brooke House", 2nd Floor, 9, Shakespeare Sarani, Kolkata 700071	29 July 2010	1600 hours	No
2008-09	"Brooke House", 2nd Floor, 9, Shakespeare Sarani, Kolkata 700071	23 September 2009	1700 hours	Yes
2007-08	"Brooke House", 2nd Floor, 9, Shakespeare Sarani, Kolkata 700071	22 August 2008	1600 hours	No

- **Postal ballot**

Whether resolutions were put through postal ballot last year	: NO
Details of voting pattern	: N.A.
Person who conducted the postal ballot exercise	: N.A.
Whether any resolution is proposed to be conducted through postal ballot	: N.A.
Procedure for postal ballot	: N.A.

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.**

There are no such materially significant related party transactions that have a potential conflict with the interests of the Company.

Your Company has endeavoured in complying with the mandatory requirements of clause 49 of Listing Agreement, purely as a benchmarking measure and not as part of any mandatory requirement.

SHAREHOLDERS' INFORMATION

1. Annual General Meeting

- Date and Time : Friday, 8 July 2011 at 1600 hours
- Venue : VISA House, 4th Floor 8/10 Alipore Road, Kolkata 700027

2. Financial year

: April to March

3. Registered office

: VISA House, 8/10 Alipore Road, Kolkata 700027
 Tel: + 91 33 3011 9000
 Fax: + 91 33 3011 9003
 E-mail: secretarial@visa-group.com
 Website: www.visapower.net

4 Registrars and transfer agents

: Karvy Computershare Private Limited
 Unit: VISA Power Limited
 Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081
 Banjara Hills, Hyderabad 500 034
 Tel: +91 40 2331 2454
 Fax: +91 40 2342 1971
 Email: jayaramanvk@karvy.com
 Website: www.karvy.com

5. Share transfer system

: Share transfers are approved by the Board of Directors, as and when they are lodged with the Company.

6. Categories of shareholding as on 31 March:

Category	2011			2010		
	No. of share-holders	No. of shares held	% share-holding	No. of share-holders	No. of shares held	% share-holding
Promoters	7*	1,70,129,906	100.00	7	66,330,600	100.00

* Includes 6 shareholders, where the beneficial interest in the shares currently vests with VISA Infrastructure Limited.

7 CIN of the company

: The Company is registered with the Registrar of Companies, West Bengal and the CIN allotted by the Ministry of Corporate Affairs is U40101WB2005PLC105797.

The Company's equity shares are admitted in the dematerialized mode with NSDL and the ISIN is INE782K01014.

8. Investor correspondence

: Secretarial Department,
 VISA Power Limited
 VISA House, 4th Floor,
 8/10, Alipore Road,
 Kolkata 700027
 Tel: + 91 33 3011 9000
 Fax: + 91 33 3011 9003
 Email: secretarial@visa-group.com

AUDITOR'S REPORT

To

The Members of VISA Power Limited

1. We have audited the attached Balance Sheet of VISA Power Limited ('the Company') as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (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 matters 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 purposes of our audit;
 - ii. 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;
 - 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 Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director of the Company 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 affairs of the Company as at 31st March 2011;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm Registration
No 301003E
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No.:55596

Place: Kolkata
Date: 13th June 2011

For RAY & RAY

Firm Registration
No 301072E
Chartered Accountants

Abhijit Neogi
Partner
Membership No.61380

AUDITOR'S REPORT

ANNEXURE

to the auditors' report referred to in our report of even date to the members of VISA Power Limited

- | | |
|--|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.</p> <p>(c) There was no substantial disposal of fixed assets during the year.</p> <p>(ii) During the year, the Company was engaged in development of power projects and did not have any inventory during the year. Hence sub clauses (a) to (c) of clause 4 (ii) of the Order are not applicable to the Company.</p> <p>(iii) (a) The Company has granted loan to a company covered in the register maintained under section 301 of the Companies Act, 1956 in the previous year. The maximum amount of such loan during the year was Rs 2565 lacs and the year- end balance due from the party was Rs 2500 lacs.</p> <p>(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.</p> <p>(c) In respect of loans granted, repayment of the principal amount is not yet due and payment of interest has been regular.</p> <p>(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence the requirements of sub clauses (f) & (g) of clause 4 (iii) of the Order are not applicable to the Company.</p> <p>(iv) In our opinion and according to the information and explanations given to us,</p> | <p>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 major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of the above areas. During the year, the Company has not purchased inventory, sold goods or rendered services.</p> <p>(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301, have been so entered.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.</p> <p>(vi) As informed, the Company has not accepted any deposits from the public.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(viii) Since the Company is yet to be engaged in any manufacturing, processing or mining activities, the clause for maintenance of cost records under Section 209(1)d of the Companies Act, 1956 is not applicable to the Company.</p> <p>(ix) (a) Undisputed statutory dues including provident fund, income-tax, and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been <i>a major delay in one instance</i>. As informed, the Company did not have any dues towards education and protection fund, employees' state insurance, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess.</p> |
|--|---|

ANNEXURE

to the auditors' report referred to in our report of even date to the members of VISA Power Limited

- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the Company did not have any dues towards education and protection fund, employees' state insurance, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess.
- (c) According to the information and explanations given to us, there are no 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.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (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 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 and therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments and hence clause 4(xiv) of the Order 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 or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these loans were obtained.
- (xvii) According to the information and explanations given to us the Company has not raised any fund, on short term basis and hence we are not required to comment on whether funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) We have been informed that frauds amounting to Rs 7.69 lacs have been committed on the Company by unknown third parties through encashment of cheques not issued by the Company and the Company has taken steps for recovery of the said amount. The aforesaid amount has been included under Advances recoverable in cash or in kind or for value to be received, pending recovery.

For S.R. BATLIBOI & CO.

Firm Registration

No 301003E

Chartered Accountants

per Bhaswar Sarkar

Partner

Membership No.55596

Place: Kolkata

Date: 13th June 2011

For RAY & RAY

Firm Registration

No 301072E

Chartered Accountants

Abhijit Neogi

Partner

Membership No.61380

BALANCE SHEET PROFIT & LOSS ACCOUNT

BALANCE SHEET as at 31st March 2011

Amount (Rs)

	Schedule	As at 31 st March 2011	As at 31 st March 2010
I SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	1,70,12,99,060	66,33,06,000
Share Application Money Pending Allotment		-	31,00,00,000
Reserves and Surplus	2	4,59,125	1,61,06,336
Loan Fund			
Secured Loans	3	3,86,25,29,644	-
Deferred Tax Liability	4	-	1,712
TOTAL		5,56,42,87,829	98,94,14,048
II APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		81,98,31,223	25,35,13,868
Less: Accumulated Depreciation/ Amortisation		38,25,548	17,71,383
Net Block		81,60,05,675	25,17,42,485
Capital Work-in-Progress	6	3,84,48,06,638	34,13,32,245
Investments	7	2,27,96,050	1,29,41,068
Current Assets, Loans and Advances			
Cash and Bank Balances	8	37,12,29,299	24,59,10,790
Loans & Advances	9	56,17,06,476	29,78,66,688
Other Current Assets	10	1,99,355	1,82,896
		93,31,35,130	54,39,60,374
Less: Current Liabilities and Provisions	11	5,24,55,664	16,05,62,124
Net Current Assets		88,06,79,466	38,33,98,250
TOTAL		5,56,42,87,829	98,94,14,048
Accounting Policies and Notes to Accounts	16		

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

For S.R.BATLIBOI & CO.

Firm Registration No : 301003E

Chartered Accountants

For Ray & Ray.

Firm Registration No : 301072E

Chartered Accountants

per Bhaswar Sarkar

Partner

Membership No. 55596

Abhijit Neogi

Partner

Membership No. 61380

Vishambhar Saran

Chairman

Vikas Agarwal

Managing Director

Place: Kolkata

Date: 13th June 2011

PROFIT & LOSS ACCOUNT for the year ended 31st March 2011

Amount (Rs)

	Schedule	2010 - 11	2009 - 10
INCOME			
Other Income	12	2,24,79,978	3,88,64,169
EXPENDITURE			
Personnel Expenses	13	58,96,952	35,39,757
Administrative and Other Expenses	14	1,33,12,887	1,95,28,430
Interest Expenses	15	1,90,807	74,15,584
Depreciation		10,29,996	9,34,949
		2,04,30,642	3,14,18,720
Profit before Tax		20,49,336	74,45,449
Tax			
- Provision for current tax		26,59,288	31,60,833
- Provision for tax no longer required, written back		(9,55,303)	-
- Fringe Benefit tax for earlier years		1,214	-
- Deferred Tax Credit		(1,712)	(76,902)
Total Tax Expense		17,03,487	30,83,931
Profit after Tax		3,45,849	43,61,518
Balance brought forward from previous year	1,61,06,336		1,17,44,818
Less: Used for issue of bonus shares	1,59,93,060	1,13,276	
Surplus carried to Balance Sheet		4,59,125	1,61,06,336
Earning Per Share of Rs 10 each - Basic & Diluted		0.0024	0.07
(Refer note no.7 of Schedule 16)			
Accounting Policies and Notes to Accounts	16		

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date

For and on behalf of the Board of Directors

For **S.R.BATLIBOI & CO.**

Firm Registration No : 301003E

Chartered Accountants

For **Ray & Ray.**

Firm Registration No : 301072E

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Abhijit Neogi

Partner

Membership No. 61380

Vishambhar Saran

Chairman

Vikas Agarwal

Managing Director

Place: Kolkata

Date: 13th June 2011

CASH FLOW STATEMENT
CASH FLOW STATEMENT for the year ended 31st March 2011

Particulars	Amount (Rs) 2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before Tax and Extraordinary Items	20,49,336
Adjustments for :	
Depreciation	10,29,996
Interest income	(2,24,79,978)
Interest expenses	33,906
Operating Profit before Working Capital Changes :	(1,93,66,740)
Increase/(Decrease) in Loans & Advances	(25,04,80,954)
Increase/(Decrease) in Trade Payables and others	(7,53,65,890)
Cash Generated from Operations:	(34,52,13,584)
Tax Paid (Net)	(26,17,712)
Net Cash used in Operating Activities	(34,78,31,296)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(3,80,13,17,017)
Sale of Fixed Assets	5,294
Investment in Joint Venture Companies	(98,54,982)
Interest Received	2,63,52,646
Net Cash Used in Investing Activities	(3,78,48,14,059)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Equity Share Capital	71,20,00,000
Borrowing from Term Loans	3,84,80,76,820
Interest paid	(18,26,37,637)
Financing Charges	(11,94,75,319)
Net Cash from Financing Activities	4,25,79,63,864
Net Increase in Cash and Cash Equivalents (A+B+C)	12,53,18,509
Cash and Cash Equivalents as on 1st April, 2010 (Note 1)	24,59,10,790
Cash and Cash Equivalents as on 31st March, 2011 (Note 1)	37,12,29,299

Notes:

- 1 Represents Cash & Bank Balances as per Schedule 8 of Annual Accounts
- 2 Cash and Cash equivalents at the end of the year include fixed deposits amounting to Rs 14,92,23,839 which has been made against guarantees issued by the bank and hence is not available for use.
- 3 The Company being small and medium sized Company (SMC) in the previous year, Accounting Standard-3 relating to Cash Flow Statement was not applicable. Hence, the previous year figures have not been furnished above.

As per our report of even date

For and on behalf of the Board of Directors

 For **S.R.BATLIBOI & CO.**

 For **Ray & Ray.**

Firm Registration No : 301003E

Firm Registration No : 301072E

Chartered Accountants

Chartered Accountants

 per **Bhaswar Sarkar**
Abhijit Neogi
Vishambhar Saran
Vikas Agarwal

Partner

Partner

Chairman

Managing Director

Membership No. 55596

Membership No. 61380

Place: Kolkata

 Date: 13th June 2011

SCHEDULES to the balance sheet

Amount (Rs)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE: 1		
Share Capital		
Authorised:		
30,00,00,000 (17,50,00,000) Equity Shares of Rs 10 each	3,00,00,00,000	1,75,00,00,000
Issued, Subscribed And Paid Up:		
17,01,29,906 (6,63,30,600) Equity shares of Rs 10 each fully paid up	1,70,12,99,060	66,33,06,000
Note:		
1. Out of the above, 15,99,306 (NIL) equity shares of Rs 10/- each fully paid up have been issued as bonus shares by capitalisation of balance in Profit & Loss Account.		
2. All the above equity shares are held by VISA Infrastructure Limited, the holding company and its nominees.		
	1,70,12,99,060	66,33,06,000
SCHEDULE: 2		
Reserves and Surplus		
Profit & Loss Account Balance	4,59,125	1,61,06,336
SCHEDULE: 3		
Secured Loans		
From scheduled banks		
- Term loans	3,84,47,05,636	-
- Deferred payment credits	33,71,184	-
Interest accrued and due	1,44,52,824	-
(Note: Refer note no. 3 of schedule 16)	3,86,25,29,644	-
SCHEDULE: 4		
Deferred Tax Liability (Net)		
A. Deferred Tax Asset:	-	1,20,475
Expenses Allowable Against Taxable Income In Future Years		
B. Deferred Tax Liability:	-	1,22,187
Timing Differences In Depreciable Assets		
Deferred Tax Liability (Net)	-	1,712

SCHEDULES
SCHEDULES to the balance sheet (Contd.)

SCHEDULE : 5
Fixed Assets

Assets Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	At 1 st April 2011	Additions	Deductions/ Adjustments	At 31 st March 2011	For the Year	Deductions/ Adjustments	At 31 st March 2011	At 31 st March 2011	At 31 st March 2010
Tangible Assets									
Land & Site Development :									
- Freehold Land	21,26,17,930	54,62,63,458	-	75,88,81,388	-	-	-	75,88,81,388	21,26,17,930
- Lease Hold Land	3,46,28,118	51,45,433	-	3,97,73,551	4,41,928	-	9,20,224	3,88,53,327	3,41,49,822
Plant & Machinery	-	21,25,992	-	21,25,992	15,703	-	15,703	21,10,289	-
Computers	11,74,143	30,23,110	-	41,97,253	4,96,997	-	8,30,792	33,66,461	8,40,348
Furniture & Fixtures	14,45,377	17,78,609	-	32,23,986	2,44,867	-	4,15,838	28,08,148	12,74,406
Vehicles*	33,09,321	50,02,447	-	83,11,768	3,65,563	-	10,81,598	72,30,170	25,93,286
Office Equipments	3,38,979	3,67,755	5,400	7,01,334	33,447	106	1,05,627	5,95,707	2,66,693
Total - A	25,35,13,868	56,37,06,804	5,400	81,72,15,272	15,98,505	106	33,69,782	81,38,45,490	25,17,42,485
Intangible Assets									
Software	-	26,15,951	-	26,15,951	4,55,766	-	4,55,766	21,60,185	-
Total - B	-	26,15,951	-	26,15,951	4,55,766	-	4,55,766	21,60,185	-
TOTAL - A+B	25,35,13,868	56,63,22,755	5,400	81,98,31,223	20,54,271 **	106	38,25,548	81,60,05,675	25,17,42,485
PREVIOUS YEAR'S TOTAL	5,49,93,162	19,85,20,706	-	25,35,13,868	9,34,949	-	17,71,383	25,17,42,485	

* Includes assets acquired on finance lease Rs 45,90,274/- (Rs NIL) WDV of Rs 45,50,848/- (Rs NIL). Refer note no. 6(b) of schedule 16.

** Includes Rs 10,24,275 transferred to project expenditure.

SCHEDULES to the balance sheet (Contd.)

Amount (Rs)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE : 6		
Capital work in Progress		
Area grading and site development	2,97,58,012	-
Electrical installation	10,29,463	-
Capital advances	3,17,58,24,045	19,60,57,892
	3,20,66,11,520	19,60,57,892
Expenditures attributable to project (pending allocation)*		
Amount brought forward from previous year	14,52,74,353	3,47,17,745
Project consultancy charges	6,74,05,369	1,43,10,594
Salaries, bonus, etc	6,66,06,288	1,53,73,612
Ground rent & cess on leasehold land	5,59,860	-
Interest and finance charges [Net of interest received Rs 38,89,127 -TDS Rs 332,065 (Rs NIL)]	26,74,55,856	7,08,81,347
Travelling and conveyance	5,34,12,564	75,85,791
Car hire charges	23,98,458	1,83,798
Printing & stationary	7,61,314	1,28,371
Rent	9,07,188	4,70,000
Rates & taxes	5,651	5,389
Repair & maintenance	15,06,904	5,01,810
Corporate social responsibilities	1,11,95,993	-
Other expenditures	2,19,81,045	26,02,256
Depreciation	10,24,275	-
	64,04,95,118	14,67,60,713
Less: Income from sale of Tender Documents	23,00,000	10,00,000
Less: Allocated to Fixed Assets	-	4,86,360
*expenditure for the year are in addition to the amounts reported in schedules 13 & 14	63,81,95,118	14,52,74,353
	3,84,48,06,638	34,13,32,245
SCHEDULE: 7		
Investments		
Long Term - At Cost		
Trade - (Unquoted)		
Fatehpur East Coal Private Limited	2,17,60,800	1,21,67,800
[21,76,080 (12,16,780) equity shares of Rs 10/- each fully paid up]		
Share Application Money for 103,525 equity shares of Rs 10/- each in Fatehpur East Coal Private Limited (pending allotment)	10,35,250	7,73,268
	2,27,96,050	1,29,41,068

SCHEDULES
SCHEDULES to the balance sheet (Contd.)

Amount (Rs)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE: 8		
Cash and Bank Balances		
Cash on hand	90,192	1,04,048
Balances with Scheduled Banks on:		
- current accounts	5,41,96,198	6,08,66,414
- term deposit accounts	31,69,42,909	18,49,40,328
(Receipts for Rs 14,92,23,839 (Rs 3,97,21,819) kept with Bank as lien towards bank guarantees issued)		
	37,12,29,299	24,59,10,790
SCHEDULE: 9		
Loans and Advances (Unsecured, Considered Good)		
Loans to Body Corporate*	25,00,00,000	25,00,00,000
Advances recoverable in cash or in kind or for value to be received	2,80,12,133	2,53,02,773
Advance Tax [Net of provision for tax Rs 54,89,288]	5,09,943	-
Security Deposits*	28,31,84,400	2,25,63,915
*(Refer Note no. 13 on schedule 16)		
	56,17,06,476	29,78,66,688
SCHEDULE: 10		
Other Current Assets		
Accrued Interest on term deposits	1,99,355	1,82,896
SCHEDULE: 11		
Current Liabilities and Provisions		
A. Current Liabilities		
Sundry Creditors for goods expenses & services, etc.		
- Micro, Small & Medium Enterprises		-
(Refer Note 5 on Schedule 16)		
- Others	4,73,63,938	15,22,85,485
Other liabilities	41,16,244	75,11,383
Interest accrued but not due on loans	14,398	-
	5,14,94,580	15,97,96,868
B. Provisions		
Leave Encashment	9,61,084	3,62,686
Tax [Net of advance tax Rs NIL (Rs 90,22,430/-)]	-	4,02,570
	9,61,084	7,65,256
	5,24,55,664	16,05,62,124

SCHEDULES to the profit & loss account

Amount (Rs)

	2010 - 11	2009 - 10
SCHEDULE: 12		
Other Income		
Interest Income		
- from term deposits [Gross - Tax deducted at source 580,924 (Rs 6,02,422)]	49,96,385	2,98,25,762
- Inter Corporate Loans [Gross- Tax deducted at source 17,47,999 (Rs 8,90,801)]	1,74,80,019	89,08,004
- Others	3,574	1,05,053
- Misc income	-	25,350
	2,24,79,978	3,88,64,169
SCHEDULE: 13		
Personnel Expenses		
Salaries, bonus, etc.	56,32,547	33,94,694
Contribution to provident and other funds	2,29,392	1,24,533
Gratuity	9,627	7,752
Staff welfare	25,386	12,778
	58,96,952	35,39,757
SCHEDULE: 14		
Administrative and Other Expenses		
Advertisement expenses	10,00,254	19,02,050
Bank charges	-	61,78,857
Traveling & conveyance	6,46,957	43,43,224
Business promotion expenses	5,90,675	14,24,557
Charity & donation	-	1,30,000
Car hire charges	1,26,235	1,83,799
Repairs & maintenance		
- Others	3,78,713	2,87,719
Rates & taxes	2,62,512	2,74,180
Auditors' Remuneration		
- For Statutory audit	1,50,000	1,50,000
- For Tax audit	25,000	25,000
- For certificates	1,75,000	6,00,000
- Out of pocket expenses(including service taxes)	15,450	79,824
Rent	3,02,396	3,19,920
Printing & stationary	2,53,771	3,85,113
Professional & consultancy fees	-	2,49,215
Filing fees	62,70,408	7,53,296
Directors' sitting fees	4,75,000	2,25,000
Miscellaneous expenses	26,40,516	18,35,477
Preliminary expenses written off	-	1,81,200
	1,33,12,887	1,95,28,430
SCHEDULE: 15		
Interest Expenses		
- On fixed loans	33,906	70,23,764
- On others	1,56,901	3,91,820
	1,90,807	74,15,584

SCHEDULES

SCHEDULES to the balance sheet and profit & loss account

SCHEDULE – 16

Accounting Policies And Notes On Accounts

1. Statement on Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the accounting standards notified by the Companies' Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price inclusive of duties (net of centvat / VAT), taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

d) Expenditure on new projects

Expenditure directly relating to construction activity are capitalized. Indirect expenditure incurred during construction period are capitalized as a part of the indirect construction

cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to the Profit and Loss Account.

e) Borrowing Costs

Borrowing costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income from temporary investments made out of borrowed funds have been adjusted against interest expense capitalized.

f) Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

Depreciation in respect of Fixed Assets added/ disposed off during the year is provided on pro-rata basis, with reference to the date of the addition / disposal.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Intangible assets are amortized on a straight line basis over a period of three years.

g) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on

SCHEDULES to the balance sheet & profit and loss account (Contd.)

internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the asset's "net selling price" and "value in use". The estimated future cash flows are discounted to their present value using a pre-discounted tax rate that reflects current market assessments of the time value of money and risk specific to the asset.

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

j) Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

k) Foreign Currency Translation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement / conversion of monetary items are recognized as income or expenses in the year in which they arise.

l) Retirement Benefits

i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective trusts.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.

SCHEDULES

SCHEDULES to the balance sheet and profit & loss account (Contd.)

- iii. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method made at the end of each financial year.
- iv. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

m) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

n) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue.

For the purpose of calculating Diluted earnings per share, net profit or loss attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

o) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

q) Cash & Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash on hand and short-term investments with an original maturity of three months or less.

SCHEDULES to the balance sheet and profit & loss account (Contd.)

		Amount (Rs)	
2. Notes on Accounts	31 st March 2011	31 st March 2010	
a. Contingent liability not provided for in respect of: Outstanding Bank Guarantees	66,47,00,000	55,93,00,000	
b. Estimated amount of Contracts remaining to be executed on capital and not provided for (Net of advances)	40,96,96,19,484	24,54,95,553	

3. Secured Loan

I. Term loans from Banks are secured by the first equitable mortgage / charge on all the immovable and moveable properties and second charge on the current assets, except for future receivables where a first pari passu charge exists through creation of a Trust & Retention Account (TRA), and Debt Service Reserve Account (DSRA) to cover term loan and interest thereon; of Phase I of the Project at Raigarh, Chhattisgarh, both present and future, ranking pari passu with charge created for other lenders. Further, these loans are also secured by a negative lien on 51% of shares of the Company held by the Promoters.

II. Deferred Payment Credits are secured by the vehicles purchased there against.

4. The Company has a defined benefit employee retirement plan in the form of gratuity. Every employee who has completed five years or more of service is entitled to Gratuity on terms as per provisions of The Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India. Annual actuarial valuations are carried out by LIC in compliance with Accounting Standard – 15 (Revised) on employee benefits.

		Amount (Rs)	
	2010 - 11	2009 - 10	
Gratuity			
I Net Employee Expense/(benefit)			
1) Current Service Cost	137,837	56,512	
2) Interest cost on benefit obligation	20,421	12,027	
3) Expected return on plan assets	(37,056)	(18,638)	
4) Net Actuarial gain/(loss) recognised in the year	(13,037)	36,378	
5) Total employee expenses recognised in the year	108,165	86,279	
II) Actual return on plan assets	37,056	18,638	
III) Benefit Asset/(Liability)			
1) Defined benefit obligation	400,479	255,258	
2) Fair Value of Plan Assets	11,22,502	411,733	
3) Benefit Asset/(Liability)	722,023	156,475	
IV) Movement in benefit liability			
1) Opening defined benefit obligation	255,258	150,341	
2) Interest Cost	20,421	12,027	
3) Current Service Cost	137,837	56,512	
4) Benefits paid	-	-	
5) Actuarial (gains)/losses on obligation	(13,037)	36,378	
6) Closing benefit obligation	400,479	255,258	

SCHEDULES
SCHEDULES to the balance sheet and profit & loss account (Contd.)

		Amount (Rs)	
V) Movement in fair value of plan assets		2010 - 11	2009 - 10
1) Opening fair value of plan assets		411,733	207,094
2) Expected Return on plan assets		37,056	18,638
3) Actuarial gain / (loss)		NIL	NIL
4) Contribution by employer		673,713	186,001
5) Benefits paid		-	-
6) Closing fair value of Plan Assets		11,22,502	411,733
VI) The major categories of plan assets as a percentage of the fair value of total plan assets			
Investments with insurer		100%	100%
VII) The Principal actuarial assumptions are as follows			
1) Discount Rate		8%	8%
2) Salary increase		5%	5%
3) Withdrawal Rate		Varying between 1% to 3% per annum depending on duration and age of the employees	

(VIII) Amount incurred as expense in respect of the companies' obligation towards defined contribution plan in the form of provident fund and pension fund Rs 23,38,730 (Rs 596,351) [including Rs 20,98,768 (Rs 4,82,178) treated as project expenditure]

(IX) The estimates of future salary increases have been considered in actuarial valuation to take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(X) Excess of fair value of plan assets at the end of the year over the present value of obligation amounting to Rs 7,22,023 (Rs 1,56,475) has been adjusted against gratuity contribution during the year and included as Advance recoverable in cash of kind in schedule- 9. Gratuity expense of Rs 1,08,165 (Rs 32,740) has been transferred to project expenditure. Due to aforesaid surplus plan assets, the Company expects to contribute Rs 56,000 (Rs 44,000) towards gratuity fund in 2011-12.

		Amount (Rs)	
(XI) Amount of gratuity for the current and previous periods are as follows		2010 - 11	2009 - 10
Defined benefit obligation		400,479	255,258
Planned Assets		11,22,502	411,733
Surplus/ (deficit)		722,023	156,475
Experience adjustments on plan liabilities		Not available*	
Experience adjustments on plan assets		Not available*	

* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustment on plan liabilities and assets are not readily available and hence not disclosed.

SCHEDULES to the balance sheet and profit & loss account (Contd.)

5. Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provisions / payments have been made by the Company to such creditors, if any, and no disclosures thereof are made in these accounts.

6. a) **Operating Lease:**

Certain residential and office premises are obtained on operating lease. The lease term is of three years and renewable for further period as may be mutually agreed by both parties. These agreements may be terminated by either party at three months notice. There is no escalation clause in the agreement. There are no restrictions imposed by lease arrangements.

There are no subleases. The leases are cancellable.

Amount (Rs)

Particulars	2010-11	2009-10
Lease Payment made for the year*	26,50,605	8,12,000
Contingent rent recognized in profit & loss account	NIL	NIL

* Includes Rs 23,48,209 (Rs 8,12,000) treated as project expenses.

b) **Financial Lease:**

Break-up of Dues	Minimum Lease Payment	Present Value as on 31st March 2011
Not later than one year	8,89,944	5,70,715
Later than 1 year and not later than 5 years	34,11,452	28,16,408
Later than 5 years	NIL	NIL

7. In terms of Accounting Standards 20, the Calculation of Earning Per Share (EPS) is given below:

Particulars	2010-11	2009-10
Profit / (Loss) as per Profit & Loss Account (Rs)	3,45,849	43,61,522
Weighted Average Number of Equity Shares Nos.)	14,13,36,344	6,79,29,906
Nominal Value of Equity Shares (Rs)	10	10
Basic & Diluted Earning Per Share (Rs)	0.0024	0.06

8. A) **Investment in Joint Venture**

Joint Venture	Fatehpur East Coal Private Limited
Country of Incorporation	India
% of Ownership Interest as on 31 st March, 11	22.03%

The Company's interest in the joint venture is reported as long term investment (schedule 7) and stated at cost. The Company's share of the assets and liabilities etc based solely on the un-audited financial statements of the Joint Venture Company is as follows:

SCHEDULES
SCHEDULES to the balance sheet and profit & loss account (Contd.)

Assets	Amount (Rs)	
	As on 31 st March 2011	As on 31 st March 2010
Mines Development and Pre-Operative Expenses	2,08,01,288	1,24,43,426
Current Assets, Loans & Advances	24,29,848	3,64,236
Profit and Loss Account Debit Balance	3,73,421	1,87,804
Liabilities		
Current Liabilities	8,05,095	61,316

- B) Investments in Fatehpur East Coal Private Limited represents the Company's share of 22.03% in Joint Venture agreement (formed pursuant to the directives of the Ministry of Coal, Government of India) for exploration of captive coal block/ deposits at Chhattisgarh and supply of coal for captive consumption of the joint venturer's.

Under the terms of the joint venture agreement, the Company cannot sell, transfer, mortgage or otherwise dispose of the Companies' interest therein, either wholly or in part except with the previous approval of the Government of India and with the consent of other joint ventures's wherever required by the terms of the agreement.

9. The Company is engaged in construction of power projects in India for the purpose of generation and transmission of power to customers in India. Consequently, it has only one business segment, power and only one geographical segment i.e. India.
10. Deferred tax assets aggregating to Rs 2,93,688/- have not been recognized in these financial statement in terms of the accounting policy indicated in Note no. 1 m above.
11. The Company secretary has resigned from 27th November 2010. The Company is in the process of appointing a new Company Secretary.

12. A. Directors Remuneration		Amount (Rs)	
Particulars	2010-11	2009-10	
Remuneration to Managing and Whole Time Director			
- salaries and bonus*	1,45,62,763		
- contribution to provident fund	7,05,600		
Commission to Managing Director	57,819		
Total	1,53,26,182	1,51,950	
Less: Allocated to expenditure attributable to project (pending allotment)	1,43,68,933		-
	9,57,249	1,51,950	

*excluding value of perquisites Rs 2,35,729/-

Note: As the liability for gratuity and leave encashment is provided for on actuarial basis for the Company as a whole, the amount pertaining to the directors' is not included above.

SCHEDULES to the balance sheet and profit & loss account (Contd.)

- B. Computation of commission payable to Managing Director and net profit in accordance with Section 349 of the Companies Act, 1956.

Particulars	Amount (Rs)	
	2010 - 11	2009 - 10
Profit before Taxation as per Profit & Loss Account	20,49,336	74,45,449
Add: Depreciation (as per Accounts)	10,29,996	9,34,949
Directors' Fees & Remuneration (to the extent debited to Profit & Loss Account)	13,74,430	3,76,950
	45,53,762	87,57,348
Less: Depreciation (under Section 350 of the Companies Act, 1956)	10,29,996	9,34,949
Directors' Fees	4,75,000	2,25,000
Net Profit under section 349 read with section 198 of the Companies Act 1956	29,48,767	75,97,399
Managing Directors' Commission being 2% of above	57,819	1,51,950

13. A) Related Party Disclosures

Names of the related parties:

Holding Company	VISA Minmetal AG, Switzerland (upto 22nd April' 2010) VISA Infrastructure Limited (w.e.f 23rd April' 2010)
Subsidiary	VISA Power Trading Company Limited
Fellow Subsidiaries	VISA Steel Limited VISA Comtrade Limited VISA Cement Limited (w.e.f 16th June' 2010) VISA Aluminum Limited (w.e.f 16th June' 2010) VISA Urban Infra Limited (w.e.f 23rd August' 2010)
Joint Venture	Fatehpur East Coal Private Limited Fatehpur Logistics Private Limited
Key Managerial Personnel (KMP)	Mr. Vikas Agarwal, Managing Director Mr. Subrato Trivedi, Whole Time Director (w.e.f. 1 st October 2010)
Relatives of KMP	Mr. Vishambhar Saran Mrs. Saroj Agarwal Mr. Vishal Agarwal Mr. Vivek Agarwal Mrs. Manjri Agrawal
Enterprises owned / influenced by Key Management Personnel or their relatives	VISA International Limited VISA Minmetal Limited VISA Realty Limited Tastebuds Gourmet Foods Private Limited VISA Group Limited, Singapore VISA Chartering Limited, Hongkong VISA Trust VISA Minmetal AG, Switzerland VISA Aviation Limited

SCHEDULES to the balance sheet and profit & loss account (Contd.)

Sl	Type of Transactions	Holding Company		Subsidiaries		Fellow Subsidiaries		Joint Venture		Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total			
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	
		Amount (Rs)																	
14	Reimbursement of refurbishment expenses																	16,00,00,000	-
	VISA Steel Limited	-	-	16,00,00,000														16,00,00,000	-
15	Remuneration Paid																	1,55,04,092	1,51,950
	Vikas Agarwal	-	-	-	-	-	-	-	-	-	75,67,729	1,51,950	-	-	-	-	-	75,67,729	1,51,950
	Subrato Trivedi	-	-	-	-	-	-	-	-	-	79,36,363	-	-	-	-	-	79,36,363	-	-
16	Sitting Fees																	2,25,000	1,65,000
	Vishambhar Saran	-	-	-	-	-	-	-	-	-	-	-	70,000	50,000	50,000	50,000	70,000	50,000	50,000
	Saroj Agarwal	-	-	-	-	-	-	-	-	-	-	-	50,000	40,000	40,000	40,000	50,000	40,000	40,000
	Vivek Agarwal	-	-	-	-	-	-	-	-	-	-	-	20,000	15,000	15,000	15,000	20,000	15,000	15,000
	Vishal Agarwal	-	-	-	-	-	-	-	-	-	-	-	85,000	60,000	60,000	60,000	85,000	60,000	60,000
17	Balance Outstanding on account of																		
A	Advance Given																	6,66,043	-
	VISA Cement Limited	-	-	5,04,973	-	-	-	-	-	-	-	-	-	-	-	-	-	5,04,973	-
	VISA Power Trading Co. Limited	-	-	1,60,070	-	-	-	-	-	-	-	-	-	-	-	-	-	1,60,070	-
	VISA Power (Jharkhand) Pvt. Ltd	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-	500	500
	VISA Power (Orissa) Pvt. Ltd	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-	500	500
B	Deposits																		
	VISA International Limited	-	-	-	-	-	-	-	-	-	2,25,00,000	2,25,00,000	-	-	-	-	-	2,25,00,000	2,25,00,000
	VISA Infrastructure Limited	26,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,00,00,000	-
C	Share Application Money paid																		
	Fatehpur East Coal Private Limited	-	-	-	-	-	-	10,35,250	7,73,268	-	-	-	-	-	-	-	-	10,35,250	7,73,268
D	Rent																	1,04,752	-
	VISA Infrastructure Limited	1,04,752	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,04,752	-
E	Loans																		
	VISA Steel Limited	-	-	25,00,00,000	25,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-	25,00,00,000	25,00,00,000
F	Advance against Travelling expenses																		
	VISA Aviation Limited	-	-	-	-	-	-	-	-	-	51,65,558	1,25,23,538	-	-	-	-	-	51,65,558	1,25,23,538
G	Remuneration																		
	Vikas Agarwal	-	-	-	-	-	-	-	-	-	-	-	12,50,000	1,51,950	-	-	-	20,69,905	1,51,950
	Subrato Trivedi	-	-	-	-	-	-	-	-	-	-	-	8,19,905	-	-	-	-	8,19,905	1,51,950
H	Payment for CWIP																		
	VISA Steel Limited	-	-	16,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-	-	16,00,00,000	-

SCHEDULES
SCHEDULES to the balance sheet and profit & loss account (Contd.)

14. Loans and advances include the following amounts due from the companies under the same management:

Name of the Company	Balance Outstanding		Maximum amount outstanding during the year	
	31 st March 2011	31 st March 2010	2010-11	2009-10
Loans				
VISA Steel Limited	25,00,00,000	25,00,00,000	25,00,00,000	25,16,59,767
Advances				
VISA Aviation Limited	51,65,558	1,25,23,538	1,25,23,538	1,33,30,715
VISA Cement Limited	5,04,973	-	5,04,973	-
VISA Power Trading Co. Limited	1,60,070	-	1,60,070	-
VISA Power (Jharkhand) Pvt. Ltd	500	-	500	-
VISA Power (Orissa) Pvt. Ltd	500	-	500	-
Security Deposits				
VISA International Limited	2,25,00,000	2,25,00,000	2,25,00,000	2,25,00,000
VISA Infrastructure Limited	26,00,00,000	-	26,00,00,000	-

15. Information pursuant to the Provision of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

Expenditure in foreign currency (Accrual basis):

Amount (Rs)

	2010-11	2009-10
Travelling expenses	9,20,033	10,80,542

16. Corresponding figures for the previous year, including those given in brackets, have been regrouped and / or re-arranged, wherever necessary to conform to the current years' presentation.

As per our report of even date

For and on behalf of the Board of Directors

 For **S.R.BATLIBOI & CO.**

Firm Registration No : 301003E

Chartered Accountants

 For **Ray & Ray.**

Firm Registration No : 301072E

Chartered Accountants

 per **Bhaswar Sarkar**
 Partner

Membership No. 55596

Abhijit Neogi
 Partner

Membership No. 61380

Vishambhar Saran
 Chairman

Vikas Agarwal
 Managing Director

Place: Kolkata

 Date: 13th June 2011

BALANCE SHEET ABSTRACT and company's general business profile

I. REGISTRATION DETAILS

Registration No. : State Code :

Balance Sheet Date :
Date Month Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs Thousands)

Public Issue : Right Issue :

Bonus : Private Placement :

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs Thousands)

Total Liabilities : Total Assets :

Sources of Funds

Paid-up Capital : Reserves & Surplus :

Secured Loans : Unsecured Loans :

Application of Funds

Net Fixed Assets : Investments :

Net Current Assets : Misc. Expenditure :

Accumulated Losses :

IV. PERFORMANCE OF COMPANY (Amount in Rs Thousands)

Turnover (Misc. Income) : Total Expenditure :

Profit/(Loss) before Tax: : Profit/(Loss) after Tax :

Earning per share in Rs : Dividend Rate% :

GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No (ITC Code) :

Product Description :

For and on behalf of the Board of Directors

Vishambhar Saran
Chairman

Vikas Agarwal
Managing Director

Place: Kolkata

Date: 13th June 2011

CORPORATE INFORMATION

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