

**Chambal Infrastructure Ventures Limited**  
**Directors' Report**

Dear Members,

Your Directors have pleasure in presenting the 4<sup>th</sup> Annual Report together with Audited annual accounts for the financial year ended March 31, 2011.

**1. Progress of Business**

During the year, the Company has further pursued its plans to set up a power plant in the state of Odisha. As per the demand letter received from M/s. Orissa Industrial Infrastructure Development Corporation (OIDCO), the Company had deposited Rs. 4.09 crore with OIDCO towards their administrative charges pertaining to acquisition of land and part land acquisition cost, in respect of 1279.95 acres of land in District Dhenkanal. The Company is pursuing with the Government of Odisha for earmarking of the land for its power project. The Company has also signed Power Purchase Agreement with GRIDCO Ltd.

The Memorandum of Understanding (MOU) signed with the Government of Chhattisgarh had expired in February, 2009. The Company is pursuing with the Government of Chhattisgarh for renewal of MOU.

The Company has incurred a net loss of Rs. 92,808/- during the year under review. The Company has not yet started its commercial operations.

**2. Subsidiaries**

**i. Chambal Energy (Chhattisgarh) Limited**

Chambal Energy (Chhattisgarh) Limited (CECL) is a wholly owned subsidiary of the Company which was set up for the purpose of setting up Power Plant(s) in the state of Chhattisgarh and other locations. CECL has not yet started its commercial operations.

**ii. Chambal Energy (Orissa) Limited**

Chambal Energy (Orissa) Limited (CEOL) is a wholly owned subsidiary of the Company which was set up for the purpose of setting up Power Plant(s) in the state of Odisha and other locations. CEOL has not yet started its commercial operations.

**3. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

As the Company has not started commercial operations, information required to be given pursuant to section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not presently applicable.

**4. Fixed Deposits**

Your Company has not accepted or invited any deposits from the Public.

## **5. Issue of Shares**

During the year, your Company has received application money of Rs. 3.50 crore on 35,00,000 (Thirty Five Lac) equity shares of Rs. 10/- each from its holding Company, Chambal Fertilisers and Chemicals Limited. The equity shares are yet to be allotted.

## **6. Personnel**

Information as per Section 217(2A) of the Companies Act, 1956 and the rules made there under is 'NIL'.

## **7. Directors**

M/s. S.K. Poddar and H. S. Bawa are due for retirement by rotation at the forthcoming Annual General Meeting. Mr. S.K. Poddar is eligible and has offered himself for re-appointment. However, Mr. H.S. Bawa has expressed his unwillingness for re-appointment. The Board expresses its sincere gratitude and appreciation of the contribution made by Mr. Bawa during his tenure as Director.

## **8. Auditors**

The Auditors, M/s. S. V. Ghatalia & Associates, Chartered Accountants, hold office until the conclusion of the fourth Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The re-appointment, if made, will be in accordance with the provisions of section 224(1B) of the Companies Act, 1956.

The Notes on Accounts read with the Auditors' Report are self-explanatory and therefore, do not call for any further comments or explanations.

## **9. Compliance Certificate**

Pursuant to the provisions of section 383A(1) of the Companies Act, 1956, a Compliance Certificate from M/s. V. K. Sharma & Co., Company Secretary in whole-time practice is attached as Annexure A to this Report.

## **10. Directors' Responsibility Statement**

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors hereby report that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relative to material departures;
- b) 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 as at March 31, 2011 and of the profit or loss of the company for the year ended on March 31, 2011;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis.

### 11. Acknowledgement

Your Directors wish to place on record their appreciation of the assistance and co-operation that your Company received from the Government of India, Government of Chhattisgarh, Government of Odisha and others whose continuous support has been a source of strength to the Company.

New Delhi  
May 9, 2011

**By order of the Board**

  
**Saroj Kumar Poddar**  
Chairman

**V.K. SHARMA & CO.**  
**Company Secretaries**

422, Ocean Plaza, Sector-18, Noida - 201 301  
Tel. : 4221470, Mobile : 9818816592  
E-mail : vks\_cosecy@yahoo.com

**Compliance Certificate**  
**(See Rule 3 of the Company (Compliance Certificate) Rules, 2001)**

**CIN: U45200DL2007PLC157223**

**Nominal Capital: Rs. 25, 00, 00,000.00**

**Paid up Capital: Rs. 1, 40, 00,000**

To,  
The Members  
**CHAMBAL INFRASTRUCTURE VENTURES LIMITED**

We have examined the registers, records, books, and papers of **CHAMBAL INFRASTRUCTURE VENTURES LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2011 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we hereby certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all the entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the prescribed time under the Act and the rules made there under.
3. The company, being a public limited company, comments are not required.

13. The company:
- i) Delivered all the certificates on lodgment thereof for transfer during the financial year in accordance with the provisions of the Act. There was no allotment during the period under review.
  - ii) Has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year
  - iii) Has not posted warrants to any member as no dividend was declared during the financial year.
  - iv) Has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - v) Has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was no appointment of additional director, alternate director and director to fill casual vacancy during the financial year.
15. The company has not appointed Managing Director/Whole Time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The company was not required to obtain approvals of the Company Law Board, Regional Director, Registrar and /or such authorities prescribed under the various provisions of the Act.

**V.K. SHARMA & CO.**  
**Company Secretaries**

28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated or show cause notices received by the company and no fines or penalties or any other punishment imposed on the company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The company was not required to deposit any contribution towards Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: Noida  
Date: 09<sup>th</sup> May 2011

For V. K. Sharma & Co.  
Company Secretaries

*Sharma*



(V. K. Sharma)  
C.P. No. 2019

**V.K. SHARMA & CO.**  
Company Secretaries

**Annexure 'B'**

Forms and Returns as filed by **CHAMBAL INFRASTRUCTURE VENTURES LIMITED** with the Registrar of Companies during the financial year ending 31<sup>st</sup> March 2011.

Sl. No.	Form/Return	Filed u/s	For the matters	Date of Filing	Whether filed Within prescribed time Yes/No	If delay in Filing whether prescribed Additional fee paid Yes/No
1	Form 23AC	220	Balance Sheet as at 31 <sup>st</sup> March 2010	16.09.2010	Yes	N/A
2	Form 20B	159	Annual Return made up to 19.08.2010	06.10.2010	Yes	N/A
3	Form 32	303(2)	Resignation of Company secretary	30.12.2010	Yes	N/A

Place: Noida  
Date: 09<sup>th</sup> May 2011

For V. K. Sharma & Co.  
Company Secretaries

*Sharma*

(V. K. Sharma)  
C.P. No. 2019



## Auditors' Report

To  
**The Members of Chambal Infrastructure Ventures Limited**

1. We have audited the attached Balance Sheet of Chambal Infrastructure Ventures Limited (the Company) as at March 31, 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government 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 March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;





# S. V. GHATALIA & ASSOCIATES

Chartered Accountants

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

*S.v.ghatalia Associates*  
For S.V.GHATALIA & ASSOCIATES  
Firm Registration No.: 103162W  
Chartered Accountants

*Subodh Modi*  
per Subodh Modi  
Partner  
Membership No.: 93684

Place: Gurgaon  
Date: May 09, 2011

*Subodh Modi*



**Annexure referred to in paragraph 3 of our report of even date  
Chambal Infrastructure Ventures Limited (the Company)**

- (i) The Company does not have any fixed assets during the year, therefore provisions of clause 4(i) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (ii) The Company does not have any inventories during the year, therefore provisions of clause 4(ii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of clauses 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.  
  
(b) 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. Therefore, provisions of clauses 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) The activities of the Company do not involve purchase of inventory, purchase of fixed assets and sale of goods and services. Therefore, provision of clause 4(iv) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that there is no contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301. Therefore, provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

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 depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, excise duty, and other material undisputed statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.
- (c) According to the information and explanation 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.




# S.V.GHATALIA & ASSOCIATES

Chartered Accountants

- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) The Company has not taken any loan from a financial institution, bank or debenture holders. Therefore, the provision of clause 4(xi) of the Companies (Auditors Report) Order, 2003 (as amended) is not applicable to the Company.
- (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. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are 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 bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares 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 a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

*S.V.Ghatalia & Associates*  
For S.V.GHATALIA & ASSOCIATES  
Firm Registration No.: 103162W  
Chartered Accountants

  
per Subodh Modi  
Partner  
Membership No.: 93684

Place: Gurgaon  
Date: May 09 2011



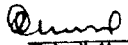


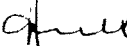
**Chambal Infrastructure Ventures Limited**  
**Balance Sheet as at March 31, 2011**


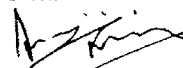
	Schedules	As at March 31, 2011 (Amount in Rs.)	As at March 31, 2010 (Amount in Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	14,000,000	14,000,000
Share Application Money Pending Allotment		35,000,000	-
<b>Total</b>		<b>49,000,000</b>	<b>14,000,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investments</b>	2	1,000,000	1,000,000
<b>Current Assets, Loans and Advances :</b>			
Cash and Bank Balances	3	576,740	1,439,840
Loans and Advances	4	64,343,605	23,480,805
		<b>64,920,345</b>	<b>24,920,645</b>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	5	28,416,517	23,324,009
		<b>28,416,517</b>	<b>23,324,009</b>
<b>Net Current Assets</b>		<b>36,503,828</b>	<b>1,596,636</b>
<b>Profit and Loss Account</b>		<b>11,496,172</b>	<b>11,403,364</b>
<b>Total</b>		<b>49,000,000</b>	<b>14,000,000</b>
<b>Notes on Accounts</b>	6		

The schedules referred to above and the Notes on Accounts form an integral part of the Balance Sheet

As per our report of even date

*S.V. Ghatalia & Associates*  
**For S.V. GHATALIA & ASSOCIATES**  
**Firm Registration No.: 103162W**  
**Chartered Accountants**  
  
**per Subodh Modi**  
 Partner  
 Membership No.: 93684

For and on behalf of the Board of Directors of  
**Chambal Infrastructure Ventures Limited**  
  
**Anil Kapoor**  
 Director

  
**H.S. Bawa**  
 Director  
  
**Anuj Jain**  
 Authorised Signatory

Place : Gurgaon  
 Date : May 09, 2011

Place : New Delhi  
 Date : May 09, 2011

**Chambal Infrastructure Ventures Limited**  
**Profit and Loss Account for the year ended March 31, 2011**

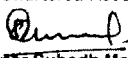
Schedules	Year ended March 31, 2011 (Amount in Rs.)	Year ended March 31, 2010 (Amount in Rs.)
<b>Expenditure</b>		
Rates and Taxes	1,500	-
Consultancy charges	8,273	507,380
Auditor's Remuneration		
Audit fees	82,725	82,725
Bank Charges	310	300
<b>Total</b>	<b>92,808</b>	<b>590,405</b>
<b>Loss before tax</b>	<b>92,808</b>	<b>590,405</b>
Provision for tax	-	-
<b>Loss after tax</b>	<b>92,808</b>	<b>590,405</b>
Balance Brought forward from Previous Year	<b>11,403,364</b>	<b>10,812,959</b>
<b>Loss carried forward to Balance Sheet</b>	<b>11,496,172</b>	<b>11,403,364</b>
Basic Earnings/(loss) per Share (in Rs.)	(0.07)	(0.42)
Diluted Earnings/(loss) per Share (in Rs.)	(0.07)	(0.42)
Nominal value of shares (in Rs.)	10.00	10.00

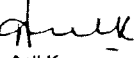
Notes on Accounts

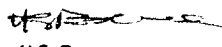
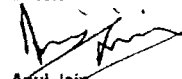
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The schedules referred to above and the Notes on Accounts form an integral part of the Profit and Loss Account

As per our report of even date

*S.V. Ghatalia & Associates*  
**For S.V. GHATALIA & ASSOCIATES**  
 Firm Registration No.: 103162W  
 Chartered Accountants  
  
**per Subodh Modi**  
 Partner  
 Membership No.: 93684

For and on behalf of the Board of Directors of  
**Chambal Infrastructure Ventures Limited**  
  
**Anil Kapoor**  
 Director

  
**H.S. Bawa**  
 Director  
  
**Anuj Jain**  
 Authorised Signatory

Place : Gurgaon  
 Date : May 09, 2011

Place : New Delhi  
 Date : May 09, 2011

**Chambal Infrastructure Ventures Limited**  
Cash Flow Statement for the year ended March 31, 2011

Particulars	Year ended March 31, 2011 (Amount in Rs.)	Year ended March 31, 2010 (Amount in Rs.)
<b>A. Cash flow from operating activities :</b>		
Profit/(Loss) before tax.	(92,808)	(590,405)
<b>Operating profit/ (loss) before working capital changes</b>	<b>(92,808)</b>	<b>(590,405)</b>
Movement in working capital :		
Decrease /(Increase) in loans and advances	-	(1,164,431)
(Decrease) /Increase in current liabilities	5,092,508	1,754,536
<b>Cash generated from operations</b>	<b>4,999,700</b>	<b>(300)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from operating activities</b>	<b>4,999,700</b>	<b>(300)</b>
<b>B. Cash flow from investing activities</b>		
Advances given for purchase of land	(40,862,800)	-
<b>Net cash flow from / (used) in investing activities</b>	<b>(40,862,800)</b>	<b>-</b>
<b>C. Cash flow from financing activities</b>		
Share application money received	35,000,000	-
<b>Net cash used in financing activities</b>	<b>35,000,000</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(863,100)</b>	<b>(300)</b>
Cash and cash equivalents at the beginning of the year	1,439,840	1,440,140
Cash and cash equivalents at the end of the year	576,740	1,439,840
<b>Components of cash and cash equivalents as at</b>		
Balances with banks :		
- on current account	576,740	1,439,840
<b>Net cash and cash equivalents</b>	<b>576,740</b>	<b>1,439,840</b>

As per our report of even date

*S.V. Ghatalia & Associates*  
For S.V. GHATALIA & ASSOCIATES  
Firm's Registration No.: 103162W  
Chartered Accountants

*Subodh Modi*  
per Subodh Modi  
Partner  
Membership No.: 93684

For and on behalf of the Board of Directors of  
Chambal Infrastructure Ventures Limited

*Anli Kapoor*  
Anli Kapoor  
Director

*H.S. Bawa*  
H.S. Bawa  
Director  
*Anuj Jain*  
Anuj Jain  
Authorised Signatory

Place : Gurgaon  
Date : May 09, 2011

Place : New Delhi  
Date : May 09, 2011

**Chambal Infrastructure Ventures Limited**

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 (Amount in Rs.)	As at March 31, 2010 (Amount in Rs.)
<b>Schedule 1 : Share Capital</b>		
<b>Authorised :</b>		
25,000,000( Previous year 25,000,000) equity shares of Rs.10 each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed and Paid Up :</b>		
1,400,000 (Previous Year 1,400,000) equity shares of Rs.10 each fully paid up	14,000,000	14,000,000
	<u>14,000,000</u>	<u>14,000,000</u>
Of the above:-		
- 1,399,400 (Previous year 1,399,400) equity shares are held by Chambal Fertilisers and Chemicals Limited, the holding Company		
- Further, 600 (Previous year 600) equity shares are held by nominee directors of the Company jointly with Chambal Fertilisers and Chemical Limited		
<b>Schedule 2 : Investments</b>		
<b>Long Term Investments (At Cost) :</b>		
<b>In Subsidiary Companies</b>		
Trade (Unquoted), fully paid up		
- 50,000 (Previous Year 50,000) equity shares of Rs.10 each fully paid up in Chambal Energy (Chhattisgarh) Limited.	500,000	500,000
- 50,000 (Previous Year 50,000) equity shares of Rs.10 each fully paid up in Chambal Energy (Orissa) Limited.	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Schedule 3 : Cash and Bank Balances</b>		
Balances with scheduled banks :		
On current accounts	576,740	1,439,840
	<u>576,740</u>	<u>1,439,840</u>
<b>Schedule 4 : Loans and Advances</b> (Unsecured, considered good except to the extent stated)		
Advances to subsidiaries	23,480,805	23,480,805
Advance for land acquisition .	40,862,800	-
	<u>64,343,605</u>	<u>23,480,805</u>
<b>Schedule 5 : Current Liabilities</b>		
Holding company	28,416,517	23,324,009
	<u>28,416,517</u>	<u>23,324,009</u>

## **Schedule 6: Notes to Accounts**

### **1. Nature of Operations**

Chambal Infrastructure Ventures Limited (the Company) was incorporated on January 2, 2007 as a public limited company. The Company is a wholly owned subsidiary of Chambal Fertilisers and Chemicals Limited. The Company is engaged in the business of developing power and infrastructure activities across the country.

### **2. Statement of Significant Accounting Policies**

#### **a) Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the Accounting Standard notified by 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 have been consistently applied by the Company and are consistent with those used in the 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 end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates is recognised in the period in which the results are known/materialized.

#### **c) Expenditure on New Projects and Substantial Expansion**

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

#### **d) Investments**

Investments that are readily realisable 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 the value is made to recognise a decline other than temporary in the value of the investments.

h



e) **Earning per share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of the equity shares outstanding during the year.

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

f) **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 management 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 management estimates.

g) **Cash and Cash equivalents**

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

3. **Notes to Accounts**

a) **Earning per share (EPS)**

S. No.	Particulars	2010-11	2009-10
I	Calculation of Weighted Average Number of Equity Shares of Rs.10 each		
	Number of shares at the beginning of the year	1,400,000	1,400,000
	Total equity shares outstanding at the end of the year	1,400,000	1,400,000
	Weighted average number of equity shares outstanding during the year	1,400,000	1,400,000
II	Loss for the year after tax	92,508	590,405
III	Basic/Diluted earning/(loss) per share (in Rs.)*	(0.07)	(0.42)
IV	Nominal value of equity share (in Rs.)	10.00	10.00

\* Share application money pending for allotment as on March 31, 2011 amounting to Rs.350 Lacs (35 Lacs equity shares of Rs.10 each) has no dilutive effect on earning/(loss) per share as the Company is in losses, hence the basic and dilutive earning/(loss) per share is same.

b) **Related Party Disclosures**

In accordance with the requirements of Accounting Standard – 18 on "Related Party Disclosures" where control exists and where transactions have taken place, the description of the relationship as identified and certified by management are as follows:

↳

Related party relationships:

Holding Company	Chambal Fertilisers and Chemicals Limited
Subsidiary Companies	Chambal Energy (Orissa) Limited Chambal Energy (Chhattisgarh) Limited

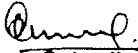
Transactions with related parties during the year:

(Amount in Rs.)

Nature of Transactions	2010-11		2009-10	
	Holding Company	Subsidiary Company	Holding Company	Subsidiary Company
Reimbursement of expenses - Chambal Fertilisers and Chemicals Limited	92,508	-	590,105	-
Share Application Money - Chambal Fertilisers and Chemicals Limited	35,000,000	-	-	-
Balance at year end: Advances receivable - Chambal Energy (Orissa) Limited	-	8,574,923	-	8,574,923
- Chambal Energy (Chhattisgarh) Limited	-	14,905,882	-	14,905,882
Accounts payable - Chambal Fertilisers and Chemicals Limited	28,416,517	-	23,324,009	-

c) Previous year's figures have been regrouped and/or rearranged wherever necessary to confirm to this year's classifications.


As per our report of even date  
*S.V. Ghatalia & Associates*  
For S.V. GHATALIA & ASSOCIATES  
Firm's Registration No.: 103162W  
Chartered Accountants

  
per Subodh Modi  
Partner  
Membership No.: 93684

For and on behalf of the Board of Directors of  
Chambal Infrastructure Ventures Limited

  
Anil Kapoor  
Director

  
H.S. Bawa  
Director

  
Anuj Jain  
Authorised Signatory

Place: Gurgaon  
Date: May 09, 2011

Place: New Delhi  
Date: May 09, 2011