

**JAIPRAKASH ENGINEERING AND STEEL COMPANY LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2009**

PARTICULRS	SCHEDULE	AS AT 31.03.2009		AS AT 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
<b>Sources of funds</b>					
Share Capital	A		225,972,030		225,972,030
Share Application Money			351,218,000		351,218,000
Reserves & Surplus	B		284,877		284,877
Unsecured Loans	C		4,256,068		4,256,068
<b>Total</b>			<b>581,730,975</b>		<b>581,730,975</b>
<b>Application of funds</b>					
Fixed Assets	D				
Gross Block		2,883,064		2,883,064	
Less: Depreciation		-		-	
Net Block		2,883,064		2,883,064	
Expenditure pending allocation As per account statement		388,572,150	391,455,214	388,353,759	391,236,823
Current Assets, Loans & Advances	E				
Cash & Bank Balances		2,725,139		98,224	
Loans & Advances		191,216,168		193,995,155	
		193,941,307		194,093,380	
Current Liabilities & Provisions	F	3,665,546		3,599,228	
Net current Assets			190,275,761		190,494,152
<b>Total</b>			<b>581,730,975</b>		<b>581,730,975</b>
Notes on Accounts	G				

As per our report attached

for M.BHASKARA RAO & CO.,  
Chartered Accountants

For and on behalf of the Board

Sd/-  
V K Muralidhar  
Partner

Sd/-  
Director

Sd/-  
Director

Sd/-  
Manager

Sd/-  
Secretary

Place: Hyderabad  
Date: April 8, 2009

**JAIPRAKASH ENGINEERING AND STEEL COMPANY LIMITED.**

**Account of Expenditure during construction ( pending allocation) as on 31.03.2009.**

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Expenditure during Construction (pending allocation) incurred upto 31.03.2008	388,353,759	384,770,512
Auditor's Remuneration	11,030	11,236
Salaries & Wages	133,333	60,000
Rates & Taxes	2,606	-
Bank charges	2,555	1,173
Professional Charges	176,239	3,509,779
Income Tax	-	1,059
	388,679,522	388,353,759
Less: Interest received on Bank Fixed Deposits (TDS Rs.33508)	162,660	-
Less: Provision for taxation	55,288	-
<b>Balance carried to Balance Sheet</b>	<b>388,572,150</b>	<b>388,353,759</b>

As per our report attached to the Balance Sheet

for M.BHASKARA RAO & CO.,  
Chartered Accountants

For and on behalf of the Board

Sd/-  
V K Muralidhar  
Partner

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Place: Hyderabad  
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**JAIPRAKASH ENGINEERING AND STEEL COMPANY LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009**

PARTICULRS	AS AT 31.03.2009	AS AT 31.03.2008
	Rs.	Rs.
<b>SCHEDULE -A - SHARE CAPITAL</b>		
Authorised 2,30,00,000 Equity Shares of Rs. 10/- each	230,000,000	230,000,000
<b>Issued, subscribed and Paid-up</b> 2,25,97,203 (Previous year 2,25,97,203) Equity Shares of Rs. 10/- each fully - paid up. ( Out of the above 2,25,61,693 Equity shares are held by M/s Nagarjuna Fertilizers and Chemicals limited, the holding Company)	225,972,030	225,972,030
	<b>225,972,030</b>	<b>225,972,030</b>
<b>SCHEDULE - B- RESERVES &amp; SURPLUS</b>		
General Reserve	284,877	284,877
	<b>284,877</b>	<b>284,877</b>
<b>SCHEDULE - C- UNSECURED LOANS</b>		
Unsecured Loans	4,256,068	4,256,068
	<b>4,256,068</b>	<b>4,256,068</b>
<b>SCHEDULE- E - CURRENT ASSETS LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
Cash & Bank Balances		
a) Cash on hand	-	-
b) Balances with scheduled Banks	95,987	98,224
c) Fixed Deposits in Schedules Banks	2,629,152	-
	<b>2,725,139</b>	<b>98,224</b>
<b>LOANS AND ADVANCES</b> (Unsecured and considered good)		
1. Advance Tax & Tax Deducted at source	4,852,632	4,819,124
2. Security Deposit with Government Departments & Others	2,555,000	2,555,000
3. Deposits with Karnataka Industrial area Development Board for Land acquisition	176,320,363	179,132,858
4. Other Advances	7,488,173	7,488,173
	<b>191,216,168</b>	<b>193,995,155</b>
<b>TOTAL</b>	<b>193,941,307</b>	<b>194,093,379</b>
<b>SCHEDULE -F - CURRENT LIABILITES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors for Expenses	3,610,258	3,599,228
<b>PROVISIONS</b>		
Provision for taxation	55,288	-
	<b>3,665,546</b>	<b>3,599,228</b>

**JAIPRAKASH ENGINEERING & STEEL COMPANY LIMITED**

**SCHEDULE-D - FIXED ASSETS AS ON 31.03.2009**

Particulars	Gross Block			Depreciation		Net Block	
	As at 01.04.2008	Additions During the year	Sales/Scrap during the year	As at 31.03.2009	Upto 31.03.2008 For the year	Total Upto 31.03.2009	As at 31.03.2009 As at 31.03.2008
Land	2,883,064	-	-	2,883,064	-	-	2,883,064 2,883,064
<b>Total</b>	<b>2,883,064</b>	-	-	<b>2,883,064</b>	-	-	<b>2,883,064</b> <b>2,883,064</b>
Previous year	2,883,064	-	-	2,883,064	-	-	2,883,064 2,883,064

**SCHEDULE - G**

**Accounting Policies and Notes on Accounts:**

**A. Significant Accounting Policies:**

**a. General**

- i) These Accounts are prepared on the historical cost basis and on the Accounting Principles of a going concern.
- ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**b. Revenue Recognition**

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

**c. Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of taxes

**d. Depreciation**

Depreciation on fixed assets has been provided on straight line method as per the classification and on the basis of Schedule XIV of the Companies Act, 1956.

**e. Gratuity**

Gratuity is charged to revenue on the basis of actuarial Valuation

**f. Inventories**

Stocks are valued at cost.

**g. Expenditure during construction**

Expenditure (net) incurred on projects during implementation is capitalised and apportioned to various assets on commissioning of the Project.

**h. Taxes on Income**

Current Tax is calculated using prevailing tax rates & tax laws. Deferred tax assets and deferred tax liabilities are calculated using the tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date.

**JAI PRAKASH ENGINEERING AND STEEL COMPANY LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009**

**B. NOTES ON ACCOUNTS:**

**1 Contingent Liabilities -**

No Provision has been made in the accounts in respect of Income Tax demand for the assessment years 1986-87 to 1995-96. Appeal pending before the Income Tax Authorities, Lucknow. Tax Liability ascertained Rs.94,65,988 (Previous year Rs. 94,65,988). Tax paid Rs.45,46,040/-

2 In the opinion of the Board of Directors, the "Current assets, Loans and Advances have a value on realisation in the ordinary course of business at which they are stated in the Balance Sheet.

3 The Company had paid Rs.30,53,65,176/- to Karnataka Industrial Areas Development Board (KIADB) towards deposit for acquisition of land to the extent of 816.88 acres. KIADB had given possession of 1021.63 acres of land to the Company including 204.75 acres of Government land. Since the Company decided to shelve the Steel Project, the aforesaid land was surrendered to KIADB in 2001-02 and Company sought refund of the deposit amount paid towards the land.

KIADB has agreed to sell the land to prospective buyers and refund the proceeds to the Company. Short fall in realisation if any, will be adjusted in accounts. In view of developments taking place in the surrounding areas, Company is confident of selling the land to KIADB / Other prospective buyer. The Company plans to develop infrastructure projects and accordingly the accounts are prepared on going concern basis.

4 Un-secured Loans and Deposits are subject to Confirmations.

5 As per the Computation of the Company, there is a tax liability for the year ended 31st March, 2009.

6 Related party transactions:

A. Holding Company:	Nagarjuna Fertilizers and Chemicals Limited
B. Fellow Subsidiaries	Nagarjuna Oil Corporation Limited
C. Key Management Personnel:	Mr. K.S. Raju, Chairman and Managing Director of Holding Company.

Related Party Transactions are as under:

Advances given to Holding Company Rs. Nil ( Previous Year nil )

7 Previous year figures have been regrouped/ rearranged where ever necessary to make them conform to the current year classification.

8 Figures have been rounded off to the nearest rupee.

Signatures to Schedule A to G

**For M. BHASKARA RAO & CO.,**  
Chartered Accountants

**For and on behalf of the Board**

Sd/-  
Partner

Sd/-  
Director

Sd/-  
Director

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Place : Hyderabad  
Date: April 8, 2009