

**GIVING ENERGY
TO DREAMS**



JSW Energy Limited
Annual Report 2009-2010



Vision

Global recognition for size, culture and quality, while nurturing nature and society.



Mission

Supporting the nation's growth in power and steel with speed and innovation.



Core Values

- Crystal clear
- Passion for excellence
- Drive with leadership
- Young thinking
- Challenging status quo

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Shri O. P. Jindal

August 7, 1930 – March 31, 2005

O. P. Jindal Group – Founder and Visionary

Only a life lived for others is a life lived worth while

An industrialist par excellence under whose aegis the O P Jindal Group grew from strength to strength. But for the world at large Late Shri O P Jindal was much more than that. He was also a leader of masses, some one who would often champion the cause of the poor and downtrodden.

He was not just a celebrated politician, but also a great humanitarian and an avant-grade visionary. His life both as an industrialist and as social worker left an indelible mark on this nation. And for us at O P Jindal group, his life gives us inspiration to touch new heights.





Mr. Sajjan Jindal, Chairman

Dear Shareowners,

The year 2009-10 has been a landmark year for your Company and we have scaled newer heights by achieving remarkable and significant milestones which will put your Company amongst the significant players in the power Industry.

At the outset, I wish to thank all the investors and stakeholders who have reposed their faith and trust in JSW group in the form of overwhelming response to the IPO despite weak economic sentiments prevailing in the market. I wish to mention that your confidence in the management of JSW Energy would encourage us to increase the shareholders' wealth manifold.

I take this opportunity to share some of the significant achievements of your Company:

Exponential Growth: Commissioning of 735 MW of Power Generation Capacity in a single year to reach total operating capacity of 995 MW. Your company is on the firm course to become a 3140 MW Company by addition of 1200 MW capacity of Ratnagiri Power Project in Maharashtra and 945 MW of capacity of Barmer Power Project in Rajasthan by end of the fiscal year 2011.

Splendid Operational Performance : 152% increase in Net Generation compared to last year.

Inspired Financial Performance : 135% increase in EBIDTA and 169% increase in PAT compared to last year on consolidated basis.

Step towards Fuel Security :

- Acquired stake in South African Coal Mining Holding Ltd. (SACMH) - a listed South African Company having 50 Million MT of coal assets through acquisition of shares in Royal Bafokeng Capital (RBC) and Mainsail.

Integration of power business:

- Established entry into Transmission Business by commissioning of Double circuit 400 KV Jaigad New Koyna transmission line in joint venture with MSETCL.
- Established entry into Manufacturing segment by Commencement of construction of Manufacturing facility of Supercritical Steam Turbine Generator Sets near Ennore, Chennai in joint venture with Toshiba Corporation, Japan.

With projections of GDP growth rate of Indian Economy in excess of 8% in coming years, Power industry is required to grow at a corresponding rate to sustain this GDP growth targets. Consistent increase in power demand combined with dull overall performance seen in capacity addition during previous years has put strain on Indian Power Infrastructure and peak demand and energy deficits have continued to remain high at 13.3% and 10.1% respectively for year 2009-10.

The Generation capacity additions projections lead us to realize that it will not be possible to add more than 60,000-65,000 MW of Generation capacity against planned capacity of 78,600 MW during 11th plan period. This may further

widen the existing gap between supply and demand of energy. Indian Power sector looks very promising with great opportunities for future growth in all the areas of power sector including Generation, Transmission, Distribution, Mining and Equipment manufacturing, etc. However, there are certain challenges like fuel supply & security, grant of open access over Transmission network, environment concerns, project financing, financial health of power procurers, etc., which needs to be dealt appropriately for achieving desired progress. With the enhancement in generation capacity, there is need to augment the transmission and distribution infrastructure to pave way for improved efficiency through reduced losses, strengthening of grid corridors and enhancement in networks. The Government is actively engaged in addressing

“We are on the right path of high growth and development and we shall continue to strive to better our previous benchmarks and records to position ourselves as a leading private player in Indian power sector.”

these concerns through various initiatives and we believe privatization or deregulation in distribution sector will provide the required impetus and accelerate the process.

We have drawn a blue print for capitalizing the opportunities as also to mitigate the challenges to realize our vision of 11,390 MW of Generation capacity by year 2015. As part of our plans to enhance capacity, we have initiated work on power projects at Chattisgarh – 1320 MW and West Bengal – 1600 MW for which we intend to achieve financial closure during fiscal 2011.

Fuel availability and fuel price are amongst the major challenges faced by the sector. We are focused to enhance the fuel security for imported coal based projects. Though we have tied up certain portion of our requirement through long term contracts and by acquisition of coal mines in South Africa, we continue to evaluate various strategies to secure complete fuel security. We are exploring opportunities to acquire mines across the globe which will enable us to build a sustainable model, besides providing power at reasonable tariff.

Human resource is an important pillar in the creation of any successful and lasting foundation of an organization and is extremely critical for our Company which is amongst the fastest growing power companies in the sector. In order to cultivate a pool of trained and skilled human resource to meet with our growth aspirations, we have laid emphasis on skill enhancement for which JSW Energy Centre of Excellence has been set up at Vijayanagar, duly recognised by Central Electricity Authority, to train personnel on simulators.

On the road to growth and expansion, your Company is also conscious about its responsibility towards environment and social development. We firmly believe that people will judge us just not only on the basis of profitability and growth figures but also on our commitment to environment and social responsibility. In line with our commitment, we have decided to evaluate feasibility of setting up power projects based on “Supercritical technology” for all our future Generation projects, which leads to consumption of less coal and consequently reduced carbon foot print. As part of our commitment to Corporate Social Responsibility, programmes for the people welfare including education, health and local infrastructure improvement have been integrated with project development activities at all our ongoing and upcoming sites.

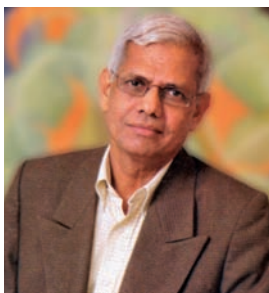
We have always believed that power is going to fuel the socio-economic growth of India as it marches towards becoming a global superpower. Therefore, providing adequate, reliable and affordable power to empower industry and people of India is a challenge for all players in Power Business. Your Company is committed to playing a pivotal role in this.

I am pleased to share with you that we are on the right path of high growth and development and we shall continue to strive to better our previous benchmarks and records to position ourselves as a leading private player in Indian power sector. I look forward to your continued support in all our future endeavors.

Yours sincerely,



Sajjan Jindal



Mr. N. K. Jain, Vice Chairman

Dear Shareholders,

It gives me great pleasure to welcome you to the JSW Energy family.

JSW Energy Limited has over the years transformed itself from a single location power generation company to a full service integrated energy business with a pan-India presence by seizing the opportunity provided by the power sector pursuant to the reforms under the Electricity Act, 2003. We have grown our power generation capacity from 260 MW in year 2000 to 995 MW in year 2010. By the year 2011, our target is to achieve the operational capacity of 3,140 MW and we are aiming to achieve the capacity of 11,390 MW by year 2015.

Since the commencement of commercial production at our first plant of 260 MW in year 2000, we have been a profit making company. We have declared dividend over the last 5 years, except for the year 2008-09 where the internal accruals were conserved to meet the requirements of growth.

In our pursuit for growth, our effort is to build a lasting organization, which can provide value to all stakeholders. I wish to have your whole hearted support in this journey to power our lives.

With warm regards,

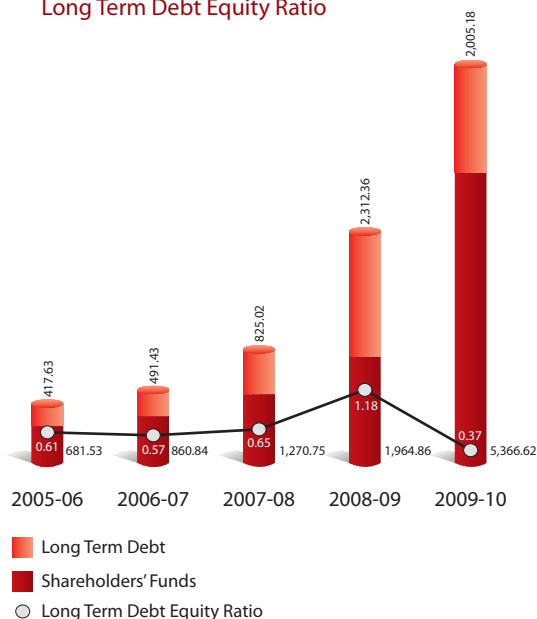
A handwritten signature in black ink, appearing to be 'N. K. Jain', with a horizontal line extending to the right.

N. K. Jain

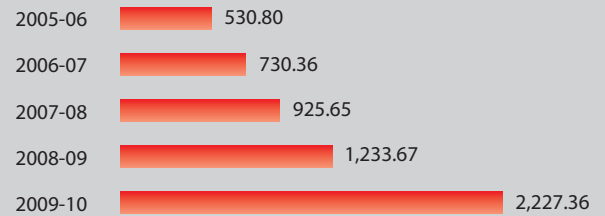
Highlights 2009-10 (Standalone)

- Gross Turnover up by 81% to Rs. 2,227 crores
- Total Income up by 53% to Rs. 2,441 crores
- EBIDTA up by 60% to Rs. 1,356 crores
- PBT up by 45% to Rs. 969 crores
- PAT up by 46% to Rs. 847 crores
- Long Term Debt Equity Ratio 0.37
- Diluted EPS up by 39% to Rs. 5.86
- Equity Dividend: Rs. 0.75 per share

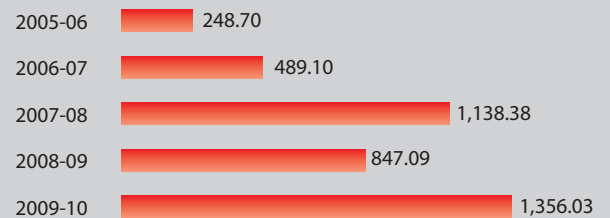
Long Term Debt Equity Ratio



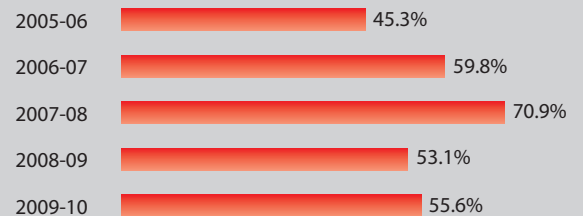
Gross Turnover (Rs. in crores)



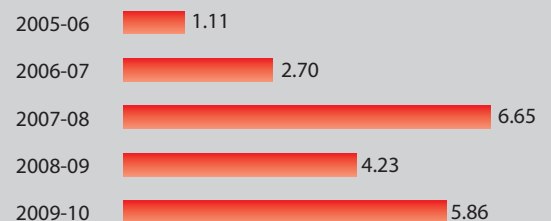
EBIDTA (Rs. in crores)



EBIDTA Margin (%)



Earning Per Share - Diluted (in Rs.)



Powering
a brighter tomorrow





Financial Highlights (Standalone)

	2005-06	2006-07	2007-08	2008-09	2009-10
REVENUE ACCOUNTS (Rs. in Crores)					
Gross Turnover	530.80	730.36	925.65	1,233.67	2,227.36
Other Operating Income	11.03	49.07	648.30	357.37	145.51
Other Income	7.05	37.94	30.76	2.94	68.16
Total Income	548.88	817.37	1,604.71	1,593.98	2,441.03
EBIDTA	248.70	489.10	1,138.38	847.09	1,356.03
Depreciation	57.96	58.29	58.56	59.63	124.32
Earning before interest and tax	190.74	430.81	1,079.82	787.46	1,231.71
Interest	49.74	62.89	88.53	120.28	262.30
PBT	141.00	367.92	991.29	667.18	969.41
Provision for Taxation	22.22	48.69	135.32	89.10	122.74
PAT	118.78	319.23	855.97	578.08	846.67
Dividend - Equity	72.25	173.40	102.95	-	123.00
CAPITAL ACCOUNTS (Rs. in Crores)					
Gross Block	1,072.89	1,081.62	1,090.64	1,100.59	2,920.64
Net Block	716.19	666.75	617.27	568.05	2,264.72
Capital Work in Progress	9.70	0.21	152.46	1,879.61	173.91
Total Debt	438.31	616.96	850.12	2,331.14	2,105.18
Long Term Debt	417.63	491.43	825.02	2,312.36	2,005.18
Working Capital Loans	20.68	23.53	25.10	18.78	-
Equity Capital	289.00	346.80	514.76	546.57	1,640.05
Reserves & Surplus	392.53	514.04	755.99	1,418.29	3,726.57
Shareholders' Funds	681.53	860.84	1,270.75	1,964.86	5,366.62
RATIOS					
Book Value per Share (Rs.)	23.58	24.82	24.69	35.95	32.72
Market price per Share (Rs.)	NA	NA	NA	NA	111.85
Earning per Share (Diluted) (Rs.)	1.11	2.70	6.65	4.23	5.86
Market Capitalisation (Rs. in Crores)	NA	NA	NA	NA	18,344.01
Equity Dividend per Share (Rs.)	2.50	5.00	2.00	-	0.75
Fixed Assets Turnover Ratio	0.74	1.10	1.50	2.17	0.98
EBIDTA Margin	45.3%	59.8%	70.9%	53.1%	55.6%
Interest Coverage	3.83	6.85	12.20	6.55	4.70
Long term Debt Equity Ratio	0.61	0.57	0.65	1.18	0.37
Long term Debt to EBIDTA	1.68	1.00	0.72	2.73	1.48

BOARD OF DIRECTORS

Mr. SAJJAN JINDAL

Chairman & Managing Director

Mr. N.K. JAIN

Vice-Chairman

Mr. S. S. RAO

Whole-time Director

(Jt. Managing Director & CEO till 31st May 2010)

Mr. LALIT KUMAR GUPTA

Jt. Managing Director & CEO (w.e.f. 1st June 2010)

Mr. T. R. BAJALIA

Nominee Director of IDBI Bank Ltd.

Mr. P. ABRAHAM IAS (Retd.)

Director

Mr. D. J. BALAJI RAO

Director

Mr. CHANDAN BHATTACHARYA

Director

Mr. J. K. TANDON

Director (till 31st May 2010)

Mr. PRAMOD MENON

Chief Financial Officer

Mr. S. MADHAVAN

Company Secretary & Compliance Officer

AUDITORS:

M/s. Lodha & Company
Chartered Accountants

BANKERS:

IDBI Bank Limited
ICICI Bank Limited
Punjab National Bank

REGISTERED OFFICE:

Jindal Mansion,
5-A, Dr. G. Deshmukh Marg,
Mumbai – 400 026
Tel. No.: 022 – 2351 3000
Fax No.: 022 – 2352 6400
Website: www.jsw.in

CORPORATE OFFICE:

The Enclave, Behind Marathe Udyog Bhavan,
New Prabhadevi Road,
Prabhadevi,
Mumbai – 400 025
Tel. No. 022-6783 8000
Fax No. 022-2432 0740

VIJAYANAGAR WORKS:

Post Box No. 9
Toranagallu – 583 123
Bellary Dist, Karnataka
Tel. No. 08395 – 252 124
Fax No. 08395 – 250 757

HYDRO PROJECT:

Kuthar Hydroelectric Project
Village & PO Garola
Tehsil Bharmour
Dist Chamba, Himachal Pradesh

REGISTRARS & SHARE TRANSFER AGENTS:

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500 081
Ph Nos: 040 – 2342 0815 to 824 (10 lines)
Fax No.: 040 – 2342 0814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

Notice

NOTICE is hereby given that the **SIXTEENTH ANNUAL GENERAL MEETING** of the Shareholders of JSW ENERGY LIMITED will be held on **Thursday, the 15th July 2010 at 11.00 a.m** at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai - 400 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. P. Abraham, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. J. Balaji Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Lodha & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and on such remuneration as shall be fixed by Board of Directors.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Nirmal Kumar Jain, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention proposing Mr. Nirmal Kumar Jain as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and that his period of office shall be liable to determination by retirement of Directors by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Company be and is hereby accorded to the appointment of Mr. Nirmal Kumar Jain as Whole-time Director of the Company, designated as Vice-Chairman, for a period of 5 years w.e.f. 21.01.2010, upon such terms and conditions as are set out in the draft agreement to be executed with Mr. Nirmal Kumar Jain (a copy of which is initiated by the Chairman of the meeting for the purpose of identification and placed before this meeting), with specific authority to the Board of Directors to alter or vary the terms

and conditions of the said appointment and/or agreement including the remuneration which shall not exceed an overall ceiling of Rs. 50,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Nirmal Kumar Jain.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Lalit Kumar Gupta, who is appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention proposing Mr. Lalit Kumar Gupta as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and that his period of office shall be liable to determination by retirement of Directors by rotation.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr. Lalit Kumar Gupta as Whole-time Director of the Company, designated as ‘Joint Managing Director and Chief Executive Officer’, for a period of 5 years w.e.f. 01.06.2010, upon such terms and conditions as are set out in the draft agreement to be executed with Mr. Lalit Kumar Gupta (a copy of which is initiated by the Chairman of the meeting for the purpose of identification and placed before this meeting), with specific Authority to the Board of Directors to alter or vary the terms and conditions of the said

appointment and/or agreement including the remuneration which shall not exceed an overall ceiling of Rs. 40,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Lalit Kumar Gupta.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in partial modification of the resolution passed at the Thirteenth Annual General Meeting held on 21.09.2007 and at the Fifteenth Annual General Meeting held on 02.06.2009 of the Company and subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the ceiling on Remuneration payable to Mr. Sattiraju Seshagiri Rao as a Whole-time Director of the Company for the period from 01.04.2010 till 30.06.2010 from Rs.1,35,00,000/- per annum to Rs.1,80,00,000/- per annum with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling of Rs.1,80,00,000/- per annum, as may be agreed to between the Board of Directors and Mr. Sattiraju Seshagiri Rao.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and

- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in supersession of the resolutions passed at Thirteenth Annual General Meeting held on 21.09.2007 and at the Fifteenth Annual General Meeting held on 02.06.2009 of the Company and in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr. Sattiraju Seshagiri Rao as Whole-time Director of the Company, for a period of 5 years w.e.f. 01.07.2010, upon such terms and conditions as are set out in the draft agreement to be executed with Mr. Sattiraju Seshagiri Rao (a copy of which is initialed by the Chairman of the meeting for the purpose of identification and placed before this meeting), with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment and/or agreement including the remuneration which shall not exceed an overall ceiling of Rs. 11,25,000/- per month, as may be agreed to between the Board of Directors and Mr. Sattiraju Seshagiri Rao.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

By order of the Board
for **JSW Energy Limited**

Place: Mumbai
Date: 27th May 2010

S. Madhavan
Company Secretary

Notes:

1. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the businesses under Items 6 to 11 set out above and the details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed/re-appointed at the Annual General Meeting, is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company.
3. The proxies to be effective should be deposited at the Registered Office of the Company not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in electronic form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 1, 2010 to Tuesday, July 6, 2010 (both days inclusive).
7. In order to provide protection against fraudulent encashment of Dividend Warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information which will be used by the Company for Dividend payments:
 - i) Name of Sole/First joint holder and Folio No.
 - ii) Particulars of Bank account viz:
 - a) Name of the Bank
 - b) Name of Branch
 - c) Complete address of the bank with Pin Code Number
 - d) Account Type, whether Savings Bank (SB) or Current Account (CA)
 - e) Bank Account number allotted by the Bank.

In case of Shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing of dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank account including MICR Code.

Shareholders residing at the centres where Electronic Clearance Service (ECS) facility is available are advised to avail of the option to collect Dividend by way of ECS.

Equity shareholders holding shares in physical form are requested to send their ECS mandate Form in the format available for download on the Company's website (www.jsw.in) duly filled in, to the Registrar and Share Transfer Agents of the Company-Karvy Computershare Pvt. Ltd.. In case of Equity Shareholders holding shares in electronic form, the ECS Mandate Form will have to be sent to the concerned Depository Participants (DPs) directly.

8. Members are requested to intimate the Registrar and Share Transfer Agents of the Company-Karvy Computershare Pvt. Ltd., Plot. No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, immediately of any change in their address in respect of Equity shares held in physical mode and to their Depository Participants (DPs) in respect of Equity shares held in dematerialized form.
9. Members desirous of having any information regarding Accounts are requested to address their queries to the AVP – Finance & Accounts at the Company's office at The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025 atleast seven days before the date of the meeting, so that requisite information is made available at the meeting.
10. All the Documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Office at The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025 on all working days of the Company between 10.00 a.m and 1.00 p.m. upto the date of the Annual General Meeting.
11. Members/Proxies are requested to bring the attendance slip duly filled in.
12. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
13. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
14. Pursuant to the Initial Public Offering of Equity Shares, the Company had, in respect of certain shares allotted therein, in view of mismatch in particulars of those allottees, parked the same in a demat suspense account. The Aggregate Number of Shares so lying initially were 1,13,580 Equity Shares of 385 Investors. Since then, 334 investors for 1,05,480 Equity Shares have already approached for transfer during the year which has been done. The aggregate number of the shareholders as at the year end whose shares were lying in demat suspense account was 51 for 8,100 Equity Shares and as on date 4,800 Equity Shares of 32 shareholders are lying in demat suspense account.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM Nos. 6 & 7

Mr. Nirmal Kumar Jain was appointed with effect from 21.01.2010 by the Board of Directors as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 116 of the Articles of Association of the Company at the Board Meeting held on 21.01.2010. He holds office as such till this Annual General Meeting. In the same Board Meeting, he was also appointed as a Whole-time Director of the Company, designated as 'Vice-Chairman' for a period of five years, with effect from 21.01.2010, subject to the approval of the members.

A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the name of Mr. Nirmal Kumar Jain for appointment as a Director of the Company.

Members approval is also sought for the appointment of Mr. Nirmal Kumar Jain as a Whole-time Director of the Company designated as 'Vice-Chairman' for a period of five years, with effect from 21.01.2010 and for the payment of salary and other perquisites to be fixed from time to time by the Board of Directors of your Company within an overall ceiling approved by the members.

Mr. Jain, aged 63 years, holds a Bachelor's degree in commerce and is a Fellow member of Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has over four decades of wide experience including in the areas of mergers and acquisition, finance, legal and capital structuring. He has a keen interest in management development and human resource training.

Mr. Jain, who joined the JSW Group in 1992, held positions of increasing responsibility including as Director - Finance in 1994, Deputy MD & CEO in 1996 and Executive Vice-Chairman of Jindal Iron & Steel Co Ltd. in 2001 till it was merged into and formed as JSW Steel Limited. He was also on the Board of Company as Vice-Chairman from 1999 until he resigned with effect from 23.10.2008. Prior to joining JSW Steel Limited, Mr. Jain was the General Manager (Finance) of Permanent Magnets Limited.

Mr. Jain's contributions to the JSW Group include helping the JSW Group to strengthen its position from being a leading steel manufacturer to a diversified conglomerate. In his last assignment, he has been driving JSW Group's energy business. In his successful tenure with the Group, he was involved in the management of joint ventures with leading business partners from the globe such as Power Business with Tractebel of Belgium, Oxygen business with Praxair of USA and Steel business with British Steel of UK.

Mr. Jain has also contributed immensely to JSW Group in many other areas, including leading the JSW Group in its new ventures such as Energy, Infrastructure and Aluminum, apart from spearheading various successful assignments for Steel business. His deep knowledge of all aspects of the business has been extremely helpful.

Mr. Jain is currently the Chairman of South West Port Limited and JSW Jaigarh Port Limited and serving on the Boards of few other JSW Group Companies including Jindal South West Holdings Limited.

The remuneration of Mr. Jain will be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof ;house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance incentive; medical reimbursement; club fees and leave travel concession for himself and his family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jain shall not exceed the overall ceiling on remuneration approved by the members in General Meeting. Your Directors have recommended a ceiling on remuneration of Rs. 50,00,000 per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, 1961;
- iii. Gratuity as per the rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income -Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, the Vice-Chairman shall be paid remuneration by way of salary and perquisites as specified above, subject to the approval of the Central Government, if required.

The Vice-Chairman shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its discretion pay to Mr. Jain lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by this resolution.

The proposed remuneration is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956.

The terms of remuneration of Mr. Jain has the approval of the Remuneration Committee.

The above details may also be treated as an abstract of the terms of appointment of Mr. Jain under Section 302 of the Companies Act, 1956.

A copy of the Draft Agreement to be executed with Mr. Jain is available for inspection at the Company's office at The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025 on all working days of the Company between

10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

In view of his rich and vast experience and distinguished career, the appointment of Mr. Jain as a Director and as a Whole-time Director of the Company designated as 'Vice-Chairman', would be in the best interest of the Company.

None of the Directors of your Company except Mr. Jain is interested either directly or indirectly in the resolution.

The Board recommends the Resolutions set out at Item Nos. 6 & 7 of the Notice for your approval.

ITEM Nos. 8 & 9

Mr. Lalit Kumar Gupta was appointed with effect from 01.06.2010 by the Board of Directors as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 116 of the Articles of Association of the Company at the Board Meeting held on 27.05.2010. He holds office as such till this Annual General Meeting. In the same Board Meeting, he was also appointed as a Whole-time Director of the Company, designated as 'Joint Managing Director and Chief Executive Officer' for a period of five years, with effect from 01.06.2010, subject to the approval of the members.

A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the name of Mr. Lalit Kumar Gupta for appointment as a Director of the Company.

Members approval is also sought for the appointment of Mr. Lalit Kumar Gupta as a Whole-time Director of the Company designated as 'Joint Managing Director and Chief Executive Officer' for a period of five years, with effect from 01.06.2010 and for the payment of salary and other perquisites to be fixed from time to time by the Board of Directors of your Company within an overall ceiling approved by the members.

Mr. Gupta, aged 49 years, holds a Bachelor's degree in Commerce (Gold Medalist) from Jiwaji University, Gwalior. He secured ranks in both Intermediate and Final Examination of Institute of Chartered Accountants of India and is a Fellow member of Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.

Mr. Gupta who has over 3 decades of wide and rich experience comes from Mangalore Refinery and Petrochemicals Limited (MRPL) which he joined in December 1999 as Company Secretary and was elevated to the position of Vice President (Finance) and Company Secretary in June 2003 and to the position of Director (Finance) in May 2006. At MRPL, Mr. Gupta is credited with several initiatives, innovative and cost cutting measures including initiation of complete financial re-engineering thereby bringing down finance costs drastically, managing and implementing the Debt restructuring plan within a record period, negotiating sales tax incentives prepayment with Government of Karnataka resulting in complete turnaround within the very first year of ONGC's takeover of MRPL.

Mr. Gupta started his career with Shree Mahavir Ispat Ltd. in February 1981 as Financial & Administrative Manager (Works)

and rose to the position of General Manager & Secretary, during his 19 years of service with them.

CNBC TV 18 has recognized him as the Best Performing CFO in Indian Oil & Gas Sector in 2008-09.

The remuneration of Mr. Gupta will be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accomodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance incentive; medical reimbursement; club fees and leave travel concession for himself and his family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Gupta shall not exceed the overall ceiling on remuneration approved by the members in General Meeting. Your Directors have recommended a ceiling on remuneration of Rs. 40,00,000/- per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, 1961;
- iii. Gratuity as per the rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, the Joint Managing Director and Chief Executive Officer shall be paid remuneration by way of salary and perquisites as specified above, subject to the approval of the Central Government, if required.

The Joint Managing Director and Chief Executive Officer shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its discretion pay to Mr. Gupta lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by this resolution.

The proposed remuneration is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956.

The terms of remuneration of Mr. Gupta has the approval of the Remuneration Committee.

The above details may also be treated as an abstract of the terms of appointment of Mr. Gupta under Section 302 of the Companies Act, 1956.

A copy of the Draft Agreement to be executed with Mr. Gupta is available for inspection at the Company's office at The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025 on all working days of the Company between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

In view of his rich and vast experience and distinguished career, the appointment of Mr. Gupta as a Director and as a Whole-time Director of the Company designated as 'Joint Managing Director and Chief Executive Officer', would be in the best interest of the Company.

None of the Directors of your Company except Mr. Gupta is interested either directly or indirectly in the resolution.

The Board recommends the Resolutions set out at Item Nos. 8 & 9 of the Notice for your approval.

ITEM NO. 10

The appointment of Mr. Sattiraju Seshagiri Rao as Joint Managing Director of the Company for a period of 4 years commencing from 12.04.2007 and also the remuneration payable to him not exceeding Rs.1,35,00,000/- annum was approved by the Members in their Thirteenth Annual General Meeting held on 21.09.2007 and at the Fifteenth Annual General Meeting held on 02.06.2009, the members had approved appointment of Mr. Rao as Whole-time Director w.e.f 01.01.2009 and continuing designation as Joint Managing Director and Chief Executive Officer for the balance tenure of his appointment on terms and conditions set out in the agreement.

The remuneration of Mr. Rao is to be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances shall not exceed the overall ceiling on remuneration approved by the members in General Meeting.

Your Directors at their meeting held on 27.05.2010 based on the recommendation of the Remuneration Committee of the Board of Directors at its meeting held on 21.05.2010, felt desirable that the compensation paid to the Whole-time Director of the Company be revised w.e.f. 01.04.2010, more or less in line with the remuneration drawn by their counterparts in the country and approved an increase in the ceiling on remuneration payable to Mr. Rao to Rs.1,80,00,000/- per annum w.e.f. 01.04.2010 subject to the approval of the Members.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, 1961;

- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, Mr. Rao shall be paid remuneration by way of salary and perquisites as specified above, subject to the approval of the Central Government, if required.

Mr. Rao shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its discretion pay to Mr. Rao lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by this resolution.

Approval of the Members is now being sought for the said increase in the ceiling on remuneration w.e.f. 01.04.2010 till 30.06.2010 of Mr. Rao.

The proposed increase in ceiling is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956. All other terms and conditions of appointment of the aforesaid Whole-time Director as approved by the Members remain unchanged.

The terms of remuneration of Mr. Rao has the approval of the Remuneration Committee.

The above details may also be treated as an abstract of the modification in the terms of appointment of the aforesaid Whole-time Director, under Section 302 of the Companies Act, 1956

The draft Supplemental Agreement to be executed between the Company and Mr. Rao is available for inspection by the Members of the Company at the Company's Office at The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai 400 025 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

None of the Directors other than Mr. Rao is interested either directly or indirectly in the resolution.

The Board recommends the resolutions as at Item No. 10 for your approval.

ITEM NO. 11

The members of the Company approved at their meeting held on 21.09.2007, inter alia, appointment of Mr. Sattiraju Seshagiri Rao as Joint Managing Director for a period of 4 years w.e.f. 12.04.2007 and at their meeting held on 02.06.2009 approved appointment of Mr. Rao as Whole-time Director designated as Joint Managing Director and Chief Executive Officer (JMD & CEO) w.e.f. 01.01.2009 for balance tenure of appointment i.e. till 11.04.2011.

The Board of Directors at their meeting held on 27.05.2010 noted that Mr. Rao ceases to be the JMD & CEO w.e.f. 01.06.2010 while continuing to remain as the Whole-time Director.

Mr. Rao was appointed afresh as Whole-time Director with effect from 01.07.2010 for a period of five years by the Board of Directors in their meeting held on 27.05.2010, on the terms and conditions contained in the draft agreement to be executed with Mr. Rao, subject to the approval of the members.

Mr. Rao, aged 63 years, holds a Bachelor's degree in Electrical Engineering and a Masters Degree in Business Administration. Mr. Rao has over four decades of experience in establishing Greenfield thermal power projects, negotiating and implementing Power Purchase Agreements and fuel supply agreements, power pricing, tariff structures and mechanisms, environment friendly and safe methods in operating and maintenance of power plants. He is a member of the New York Academy of Sciences, Chartered Engineer (India), Senior Member of IEEE (USA), Fellow member of the Institution of Engineers and Licensee as Surveyor and Loss Assessor (IRDA).

Prior to joining the Company, Mr. Rao worked with the Power Grid Corporation of India Limited, National Thermal Power Corporation, Mecon India Limited and Aditya Birla Group.

During the tenure of Mr. Rao the Company has achieved several milestones including implementation of power projects across various locations and forging Joint Ventures.

Members' approval is sought for the said appointment of Mr. Rao as a Whole-time Director of the Company for a period of five years with effect from 01.07.2010 and for payment of salary and other perquisites to be fixed from time to time by the Board of Directors of your Company.

The remuneration of Mr. Rao is to be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance Incentive; medical reimbursement; club fees and leave travel concession for self and family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Rao shall not exceed the overall ceiling on remuneration approved by the members in General Meeting. Your Directors have recommended a ceiling of Rs. 11,25,000/- per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- a) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);

- b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- c) Gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- d) Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, the Whole-time Director shall be paid remuneration by way of salary and perquisites as specified above subject to the approval of the Central Government, if required.

The Whole-time Director shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its discretion pay to Mr. Rao lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by this resolution.

The proposed remuneration is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956. The terms of remuneration of Mr. Rao has the approval of the Remuneration Committee.

The above details may also be treated as an abstract of the terms of appointment of Mr. Rao under Section 302 of the Companies Act, 1956.

A copy of the draft Agreement to be executed with Mr. Rao is available for inspection by the Members of the Company at the Company's Office at The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai 400 025 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

In view of his rich and vast experience and distinguished career, the appointment of Mr. Rao as a Whole-time Director of the Company would be in the best interest of the Company.

None of the Directors of your Company except Mr. Rao is interested either directly or indirectly in the resolution.

The Board recommends the Resolutions set out at Item No. 11 of the Notice for your approval.

By order of the Board
for **JSW Energy Limited**

Place: Mumbai
Date: 27th May 2010

S. Madhavan
Company Secretary

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

Name of the Director	Mr. P. Abraham	Mr. D. J. Balaji Rao	Mr. Nirmal Kumar Jain	Mr. Lalit Kumar Gupta**	Mr. Sattiraju Seshagiri Rao
Date of Birth	01.07.1939	15.12.1939	03.05.1946	20.09.1960	11.11.1947
Relationship with other Directors Interse	None	None	None	None	None
Date of Appointment	20.10.2003	09.09.2005	21.01.2010	01.06.2010	12.04.2007
Expertise in specific functional area	Mr. P. Abraham has worked in various capacities as the Secretary to Municipal Administration, Housing and Urban Development, Government of Andhra Pradesh, Secretary to the Maharashtra State Electricity Board, Secretary to the Energy Department, Government of Maharashtra, Chairman and Managing Director, Maharashtra State Textile Corporation, Joint Secretary, Industries Department, Government of Maharashtra, Iron & Steel Controller, Ministry of Steel, Government of India, Managing Director, Investment Corporation of Andhra Pradesh, Commissioner of Industries, Government of Andhra Pradesh, Secretary to the Environmental & Energy Department, Additional Secretary to the Ministry of Defence, Government of India and Secretary to the Ministry of Power, Government of India.	Mr. D. J. Balaji Rao has attended the Advanced Management Program at European Institute of Business Administration at Fontainebleu, France. He has worked with ICICI for 25 years in the field of project evaluations and operations and has served as an Executive Director of ICICI and as the Vice - Chairman and Managing Director of SCICI Limited. He was the first Managing Director of Infrastructure Development Finance Company Limited.	Mr. Nirmal Kumar Jain has over 40 years of experience including in the areas of mergers and acquisition, finance, legal, capital structuring. He has a keen interest in management development and human resource training. In his last assignment, he has been driving JSW Group's energy business. In his successful tenure with the Group, he was involved in the management of joint ventures with leading business partners from the globe. Mr. Jain has contributed immensely to JSW Group in many areas, including leading the JSW Group in its new ventures such as Energy, Infrastructure and Aluminum, apart from spearheading various successful assignments for Steel business. His deep knowledge of all aspects of the business has been extremely helpful.	Mr. Gupta has over 30 years of experience including in the areas of finance, accounting, secretarial and legal with several initiatives, innovative and cost cutting measures to his credit including finalizing Standard input and Output norms for products and facilitating Exports, arranging LIBOR based extended credit from suppliers and initiation of complete financial re-engineering, bringing down finance costs drastically, managing and implementing the Debt restructuring plan, negotiating sales tax incentives prepayment with Government of Karnataka resulting in complete turnaround within the very first year of ONGC's takeover of Mangalore Refinery and Petrochemicals Limited (MRPL). Prior to joining Company, he was with MRPL from December 1999 initially as Company Secretary and was elevated to the position of Vice President (Finance) and Company Secretary in June 2003 and to the position of Director (Finance) in May 2006.	Mr. Sattiraju Seshagiri Rao has over 40 years of experience in establishing Greenfield thermal power projects, negotiating and implementing PPAs and fuel supply agreements, power pricing, tariff structures and mechanisms, environment friendly and safe methods in operating and maintenance of power plants. Mr. Rao is a member of the New York Academy of Sciences, Chartered Engineer (India), Senior Member of IEEE (USA), fellow member of the Institution of Engineers and Licensee as Surveyor and Loss Assessor (IRDA). Prior to joining Company, he worked with the Power Grid Corporation of India Limited, National Thermal Power Corporation, Mecon India Limited and Aditya Birla Group.
Qualification	MA, Diploma in System Management, IAS	BE, Post Graduate Diploma in Industrial Engineering	B.Com, FCA, FCS	B.Com, FCA, FCS	BE, Master in Business Administration
No. of Equity Shares held in the Company	Nil	900	1,00,000#	Nil	5,000#

Name of the Director	Mr. P. Abraham	Mr. D. J. Balaji Rao	Mr. Nirmal Kumar Jain	Mr. Lalit Kumar Gupta**	Mr. Sattiraju Seshagiri Rao
Directorship in other Indian Public Limited Companies	<ul style="list-style-type: none"> • Maharashtra State Power Generation Company Limited • GVK Power and Infrastructure Limited • UFLEX Industries Ltd. • PTC India Limited • PTC India Financial Services Limited • Vijai Electricals Ltd. • Nagarjuna Construction Company Limited • NCC Infrastructure Holdings Limited • Lanco Infratech Ltd. • Lanco Amarkantak Power Limited • TAJGVK Hotels & Resorts Limited • Vishaka Industries Limited • Global Heavy Electricals Limited • Raj WestPower Ltd 	<ul style="list-style-type: none"> • Ashok Leyland Limited • Bajaj Auto Limited • Bajaj Finserv Limited • Bajaj Auto Finance Limited • 3M India Limited • Graphite India Limited • Hinduja Foundries Limited • Bajaj Holdings and Investment Limited • CMI-FPE Limited 	<ul style="list-style-type: none"> • South West Port Limited • JSW Jaigarh Port Limited • Jindal South West Holdings Limited • JSW Infrastructure Limited • JSW Aluminium Limited • JSW Energy (Bengal) Ltd. • JSW Natural Resources Bengal Ltd. 	Nil	<ul style="list-style-type: none"> • JSW Power Trading Company Limited • Raj WestPower Limited • JSW Energy (Ratnagiri) Limited • JSW Energy (Raigarh) Limited • JSW Energy (Bengal) Limited
Chairmanship/ Membership of Committees in other Indian Public Limited Companies* (C = Chairman) (M = Member)	<ul style="list-style-type: none"> • GVK Power & Infrastructure Limited (M) • Vijai Electricals Limited (M) • Nagarjuna Construction Company Limited (M) 	<ul style="list-style-type: none"> • Ashok Leyland Limited (M) • Bajaj Auto Limited (M) • Bajaj FinServe Limited (M) • 3M India Limited (M) • Hinduja Foundries Limited (C) <p>Shareholders Grievances Committee</p> <ul style="list-style-type: none"> • Bajaj Auto Limited (C) • 3M India Limited (C) 	<ul style="list-style-type: none"> • Jindal South West Holdings Limited (M) • South West Port Limited (C) • JSW Infrastructure Limited (C) • JSW Aluminium Limited (M) • JSW Jaigarh Port Limited (C) <p>Shareholders Grievances Committee</p> <ul style="list-style-type: none"> • Jindal South West Holdings Limited (C) 	<p>Audit Committee</p> <p>Nil</p> <p>Shareholders Grievances Committee</p> <p>Nil</p>	<p>Audit Committee</p> <ul style="list-style-type: none"> • JSW Power Trading Company Limited (C) • Raj WestPower Limited (C) • JSW Energy (Ratnagiri) Limited (C) • JSW Energy (Raigarh) Limited (C) <p>Shareholders Grievances Committee</p> <p>Nil</p>

*only two committees namely Audit Committee, Shareholders/Investors Grievance Committee have been considered.

**w.e.f. 1st June, 2010.

allocation of shares by "JSW Group Welfare Trust", shares to be received after Specified Date.

Directors' Report

To the Shareholders,

Your Directors take pleasure in presenting the Sixteenth Annual Report and the Audited accounts of the Company for the year ended 31st March 2010.

1. FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2010 is summarised below:

(Rs. in crores)

Particulars	Standalone		Consolidated	
	2009-10	2008-09	2009-10	2008-09
Sales and Other Income	2,441.03	1,593.98	2,429.26	1,852.16
Profit before Depreciation & Tax	1,093.73	726.81	1,003.95	428.05
Depreciation	124.32	59.63	136.10	60.21
Profit before Tax	969.41	667.18	867.85	367.84
Provision for Tax	122.74	89.10	122.36	91.15
Profit after Tax	846.67	578.08	745.49	276.69
Add: Profit brought forward from previous year	1,228.02	649.94	742.82	466.13
Profit available for appropriation	2,074.69	1,228.02	1,488.31	742.82
Dividend	123.00	-	123.00	-
Dividend Distribution Tax	20.43	-	20.43	-
Balance Carried to Balance Sheet	1,931.26	1,228.02	1,344.88	742.82

2. RESULTS OF OPERATIONS

Standalone

During the year, the Company commenced commercial operations of the 1st unit of 300MW on 1st July 2009 and the 2nd unit of 300MW on 1st September 2009 at Vijayanagar, apart from operating the existing 260 MW units, thus taking the installed capacity of the Company to 860 MW at Vijayanagar.

The Company has achieved Plant Load Factor (PLF) of 100.03% as against 97.88 % in the previous year for its 260MW power plants and 89.97% for its 600MW power plants commissioned during the year resulting in aggregate generation of 5,426 million units as against 2,229 million units in the previous year.

The average sales realisation from sale of power during the year declined to Rs. 4.44 per unit compared to Rs.6.00 per unit during the previous year. The decrease is primarily due to lower tariff realisation on sale of merchant power.

Besides the revenue from sale of Power, the Company has received the Project Management revenue of Rs.120.83 crores for power plants being set-up by JSW Energy (Ratnagiri) Limited (JSWERL) and Raj WestPower Limited (RWPL).

The income from operations during the year was Rs. 2,372.87 crores, which is an increase of 49.14 % over Rs. 1,591.04 crores achieved in the previous year.

The Company has achieved a net profit of Rs. 846.67 crores for the year ended 31st March 2010 as compared to Rs. 578.08 crores in the previous year.

Consolidated

The consolidated total revenues of the Company for fiscal 2010 stood at Rs. 2,429.26 crores as against Rs. 1,852.16 crores for fiscal 2009 showing an increase of 31.16%. The consolidated EBIDTA increased from Rs. 548.99 crores in fiscal 2009 to Rs. 1,293.09 crores in fiscal 2010 showing an increase of 135.54%.

The Profit after Tax also witnessed a quantum growth of 169.43% from Rs. 276.69 crores in fiscal 2009 to Rs. 745.49 crores in fiscal 2010.

3. CONSOLIDATED FINANCIAL STATEMENTS

The Audited Standalone and Consolidated Financial Statements of the Company which form part of the annual report have been prepared in accordance with the provisions of the Companies Act, 1956, the Accounting Standard (AS-21) on Consolidated Financial Statements, the Accounting Standard (AS-23) on Accounting for Investments in Associates and Accounting Standard (AS-27) on Financial Reporting of Interests in Joint Ventures.

4. DIVIDEND

Your Directors have recommended Dividend of Rs. 0.75 per share (7.5%) on the 164,00,54,795 Equity Shares of Rs.10 each for financial year 2009-10, subject to the approval of the Members at the ensuing Annual General Meeting. Together with the Corporate Tax on dividend, the total outflow on account of Equity dividend will be Rs. 143.43 crores.

5. CHANGES IN THE CAPITAL STRUCTURE

5.1 Increase in Authorised Capital

During the year, the Authorised Capital of Company was increased from Rs.1,501 crores to Rs.5,000 crores divided into 500,00,00,000 Equity Shares of Rs.10 each .

5.2 Bonus Issue

The Company had, on 28th July 2009, allotted 81,98,56,914 Equity Shares towards Bonus issue in the ratio of 3 fully paid up Equity Shares of Rs.10 each for every 2 fully paid up Equity Shares held in the Company as on the record date fixed for the purpose. Consequently, the paid-up capital of Company increased from Rs.546.57 crores to Rs.1,366.42 crores.

5.3 Pre IPO Placement

The Company had on 16th November 2009 allotted 63,00,000 Equity Shares of Rs.10 each at a premium of Rs.90 per Share to the Trustees of JSW Group Welfare Trust. The beneficiaries of the said Trust are the employees of the Companies constituting the JSW Group and business associates of the JSW Group as may be determined by the Trustees from time to time. Thus, the paid-up capital of the Company increased to Rs.1,372.72 crores.

5.4 Initial Public Offering (IPO)

The Company, with a view to raising funds inter alia for financing construction and development of Identified projects, came out with an Initial Public Offering of Equity Shares aggregating Rs.2,700 crores. The said issue, which was made after receiving clearance from the Securities and Exchange Board of India and from the Registrar of Companies, Mumbai, opened on 7th December 2009 and closed on 9th December 2009. The issue was oversubscribed by about 1.56 times. The allotment under the IPO was made as under:

Category of Investors	No. of Shares of Rs.10 each	Price at which allotted (incl. Premium) (Rs.)
Anchor	4,22,60,820	110
Other Qualified Institutional Bidders(QIB)	19,26,18,684	100
Retail	3,10,53,720	95
Non Institutional	13,93,380	100
Total	26,73,26,604	-

Consequent to the allotment of 26,73,26,604 Shares in the IPO as above, the paid-up capital of the Company has increased to Rs.1,640.05 crores divided into 164,00,54,795 Equity Shares of Rs.10 each. Post allotment, the Company had approximately 89,000 Shareholders.

The Equity shares, offered through this IPO, are listed at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and are traded from January 4, 2010.

6. USAGE OF IPO PROCEEDS

Out of the total IPO proceeds of Rs.2,700 crores, an amount of Rs.1,431.79 crores was utilised as at 31st March 2010 as shown below:

Particulars	Amount in Rs. crores	
	To be Financed through Issue Proceeds	Utilisation upto 31st March 2010
Identified project as per Object of the Issue		
JSW Energy (Ratnagiri) Ltd	418.93	412.50
Raj WestPower Ltd.(Phase-I)	287.66	287.50
Raj WestPower Ltd.(Phase-II)	275.74	-
Kutehr Hydro Electrical Project	822.84	1.24
Jaigad PowerTransco Ltd.	49.60	-
Barmer Lignite Mining Company Ltd.	287.76	223.00
Repayment of Corporate Debt	470.00	470.00
Share Issue Expenses	75.98	37.55
General Corporate Purpose	11.49	-
Total amount Utilised as per the Object of the Issue		1,431.79
Break up of unutilised amount		
Investment in Mutual Fund	-	738.00
Bank Fixed Deposit	-	469.00
Utilisation for reduction of overdraft	-	57.00
Bank Balance	-	4.21
Total Temporary Investments	-	1,268.21
	2,700.00	2,700.00

7. SUBSIDIARIES

The details of the subsidiary Companies are as follows:

Indian Subsidiaries

7.1 JSW Energy (Ratnagiri) Limited (JSWERL)

JSWERL, a Wholly Owned Subsidiary Company is implementing 4X300 MW imported coal based Power Plant at Jaigad District in Ratnagiri, Maharashtra at a total cost of Rs.4,500 crores. JSWERL had achieved financial closure for the project. JSWERL has incurred Rs.4,021 crores for the project as on 31st March 2010. Your Company has invested Rs.1,119 crores till 31st March 2010 towards Equity investment. The commissioning activity for the first unit of 300 MW is underway pursuant to charging of the power evacuation line connecting Jaigad to New Koyna. All the other 3 units are expected to be commissioned in the gap of one to three months of each other with the entire plant to be fully commissioned in fiscal 2011.

7.2 Raj WestPower Limited (RWPL)

RWPL, another Wholly Owned Subsidiary Company is implementing 1080 MW (8X135 MW each) lignite based Power Plant in Village Bhadresh, Barmer District, Rajasthan at a total cost of Rs.5,000 crores. Financial closure for the project has been achieved. The 1st unit of 135 MW commenced Commercial

operation in November 2009. The Company has achieved Plant Load Factor (PLF) of 45.87 % and achieved gross generation of 185.86 million units during the year. The entire Project is expected to be commissioned by fiscal 2011. RWPL has incurred cost of Rs.4,933 crores for the project as on 31st March 2010. Your Company has invested Rs.1,626 crores (including for Expansion & Mining Project) as Equity contribution till 31st March 2010.

A Fuel Supply Agreement has been entered into with Barmer Lignite Mining Company Limited (BLMCL), the Joint Venture Company formed with Rajasthan State Mines and Minerals Limited, for supply of lignite for 30 years. BLMCL has completed the land acquisition process for the Kapurdi mine and the same is in progress for the Jalipa mine. BLMCL has appointed South West Mining Limited as the Mining Development Operator for lignite extraction from the Kapurdi and Jalipa mines. In the interim period, RWPL has primarily been using imported coal to operate its first unit which achieved commercial operations in November 2009. The Ministry of Coal has sanctioned tapering coal linkage for 50% of coal requirements and the balance requirements will be met either through imported coal or through lignite mines for period of 2 years.

RWPL also has plans to expand capacity by 270MW by setting up 2 units of 135 MW each at the same location for which necessary regulatory consents are awaited. The cost of this Project is estimated at Rs.1,350 crores.

7.3 JSW Power Trading Company Limited (JSWPTC)

JSWPTC, a Wholly Owned Subsidiary Company, is engaged in power trading activities and has a "I" category license, the highest Power Trading license category to trade in power in India.

During FY 2009-10, JSWPTC has procured power from the Company and its associates. It has, during the year, traded 3,774.94 MUs against 2,052.75 MUs during the previous year, and made total sales turnover of Rs.1,852 crores with a Profit After Tax of Rs.2.65 crores.

JSWPTC is one of the top five power trading companies in India, by volume and has continuously stepped upwards to position itself amongst top Power Trading Companies during the year ended 31st March 2010. During the F.Y. 2009-10, the JSWPTC was also nominated as power trading member of Northern Regional Power Committee.

During the year, your Company had subscribed to 70,00,000, 10% Non-Cumulative Redeemable Preference shares of Rs.10 each aggregating to Rs.7 crores issued by JSWPTC.

7.4 Jaigad PowerTransco Limited (JPTL)

Your Company had entered into Joint Venture Agreement with Maharashtra State Electricity Transmission Company Limited (MSETCL) for transmission system / network. JPTL is 74:26 Joint Venture between the Company and MSETCL.

JPTL is implementing two transmission lines from Jaigad to New Koyna and Jaigad to Karad for evacuation of power from JSWERL's 1200MW power plant at Jaigad at a total project cost of Rs.580 crores. JPTL has been granted Transmission License from Maharashtra Electricity Regulatory Commission (MERC). Financial closure for the Project has been achieved.

Jaigad – New Koyna transmission line was charged successfully during April 2010 from the New Koyna end and the transmission line is transmitting the startup power required for commissioning activities of 1st unit of 300MW of 1200MW JSWERL Power Project through Phase I since April 2010 onwards.

JPTL has incurred Rs.401.04 crores on the Project till 31st March 2010. Your Company has invested Rs.43.31 crores as Equity contribution till 31st March 2010.

7.5 JSW Energy (Raigarh) Limited (JERL)

JSW Energy (Raigarh) Limited was incorporated on 31st August 2009 for setting up a 1320 MW power plant at Raigarh, Raipur District, Chattisgarh, based on domestic coal. The total Project Cost is estimated at Rs.6,500 crores and is proposed to be financed with a debt equity ratio of approximately 75:25. Land acquisition for the project is in progress. Your Company has invested Rs.19.49 crores as Equity contribution till 31st March 2010.

7.6 JSW Energy (Bengal) Limited (JSWEBL)

JSW Energy (Bengal) Limited was incorporated on 8th February 2010 as a SPV between JSW Bengal Steel Limited (JSWBSL) and Company. The power plant will be set up at Salboni where an integrated steel plant is being set up by JSWBSL.

JSWBSL has 26% shareholding in JSWEBL entitling them to 51% of the power to be generated by JSWEBL as a captive consumer, with the remaining 74% shares being held by the Company. The power plant is proposed to be set up as 2 units of 800 MWs each with an investment of about Rs.7,680 crores for the Power Plant and about Rs. 2,000 crores for mines. The total investment is expected to be about Rs.9,680 crores.

The Project Cost is proposed to be funded on a debt equity ratio of 3:1. The total Equity and debt is expected to be Rs.2,420 crores and Rs.7,260 crores respectively. The expected date for completion is 31st March 2014 for the first unit and 30th September 2014 for the second unit.

To the extent of 51% of power generated, the SPV will sell power to JSWBSL and West Bengal State Electricity Distribution Company Limited. Balance 49% is proposed to be sold on merchant basis.

JSWEBL has entered into sole and exclusive long term Coal Supply Agreement with West Bengal Mineral Development Corporation Limited (WBMDTC) on 31st March 2010 for supply of thermal coal from Ichhapur mine to its proposed power plant.

Overseas Subsidiaries

7.7 PT Param Utama Jaya (PTPU)

The Company had acquired controlling interest in FY 2007 in PT Param Utama Jaya (PTPU), an Indonesian Company. PTPU is allowed to carry on the business related to consultancy related services. It has earned revenues of Rs.2.25 crores in fiscal 2010 and made a net loss of Rs.0.06 crores.

7.8 JSW Energy Minerals Mauritius Limited (JEMML)

JEMML was incorporated on 19th April 2010 in Mauritius as Wholly Owned Subsidiary of your company for achieving the objective of overseas acquisition of coal assets.

7.9 JSW Energy Natural Resources Mauritius Limited (JENRML)

JENRML was also incorporated on 19th April 2010 in Mauritius as a Wholly Owned Subsidiary of JEMML for facilitating the objective of overseas acquisition of coal assets

7.10 JSW Energy Natural Resources South Africa (JENRSA)

JENRML had acquired the entire shareholding of Chlorospan (Pty) Limited, a South African Company in April 2010 which has become subsidiary to JENRML. The name of the Company has been subsequently changed to JSW Energy Natural Resources South Africa (JENRSA).

JENRSA has acquired 49.80% stake in Royal Bafokeng Capital (Proprietary) Limited (RBC) from Strider Holding (Proprietary) Limited and has option to acquire balance 50.20% stake from Royal Bafokeng Ventures Proprietary Limited. In addition, JENRSA has option to acquire entire 100% stake from RBH Resources (Proprietary) Limited in Mainsail Trading 55 (Proprietary) Limited (Mainsail). RBC and Mainsail together hold majority stake in South African Coal Mining Holdings Limited which has certain coal concessions in South Africa.

8. EXEMPTION U/S 212 FOR SUBSIDIARIES

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet, and Profit and Loss account of our subsidiaries. The Company had applied to the Central Government of India for an exemption from such attachment as the Company presents the audited consolidated financial statements in the Annual Report. The Central Government has granted the Company exemption from complying with Section 212 of the Companies Act, 1956. Accordingly, this Annual Report does not contain the financial statements of these subsidiaries. A gist of the financial performance of the subsidiary Companies is contained in the report. The Annual Accounts of the subsidiary Companies are open for inspection by any member / investor at the Company's Registered Office and the Corporate Office and

also at Registered office of the subsidiary Companies concerned. The Company will make available these documents and the related detailed information upon request by any investor of the Company or any investor of its subsidiary Companies who may be interested in obtaining the same. The Company shall furnish to any shareholder on demand the hard copy of details of accounts of subsidiaries.

9. NEW PROJECTS, INITIATIVES & JOINT VENTURES

9.1 Kuther Hydro Project

Your Company is implementing a 240MW (3X80 MW), run of the river Hydro Electric Project on the upper reaches of river Ravi in the district of Chamba, Himachal Pradesh. A Pre-Implementation Agreement is signed with Himachal Pradesh Government subsequent to part payment of upfront premium of about Rs.68 crores as required in terms of the award.

Detailed Project report has been prepared. Requisite approval from Central Electricity Authority is awaited. The project is scheduled to be commissioned by December 2015. Majority of the power produced is intended for sale on short term basis (after providing the free power to Government of Himachal Pradesh in accordance with the terms of the award). The project cost is estimated at Rs.1,915.20 crores. The Company intends to finance the Project cost by way of Equity contribution of Rs.835.20 crores with balance by way of debt of Rs.1,080 crores.

9.2 Toshiba JSW Turbine & Generator Pvt. Ltd. (Toshiba JSW)

Toshiba JSW Turbine & Generator Pvt. Ltd. has been incorporated as Joint Venture Company with a shareholding of 75% by Toshiba Corporation Ltd., Japan, 20% by the Company and 5% by JSW Steel Ltd. to design, manufacture, marketing and maintenance services of mid to large sized Supercritical Steam Turbines & Generators of size 500 MW to 1000 MW.

Land lease agreement has been signed with Government of Tamilnadu for leasing 89 acres land for setting up of manufacturing facility of JV Company near Ennore port, Chennai. Technology transfer agreement has been signed between Toshiba Corporation, Japan and Toshiba JSW Turbine & Generator Pvt. Ltd. for transferring supercritical turbine manufacturing technology. The land development, civil work, engineering and procurement of equipment have commenced. The phased manufacturing of different components of Steam Turbine Generator is expected to commence from early 2011 and entire facility is expected to be fully commissioned by 2014.

The JV with Toshiba is expected to provide advantage in sourcing critical equipments for enhancing the generation capacity besides acting as a catalyst in boosting the power plant equipments manufacturing capacity in the country. Your Company has invested Rs.44 crores towards Equity as at 31st March 2010.

9.3 MJSJ Coal Limited (MJSJ)

In terms of the Joint Venture Agreement to develop Utkal-A and Gopal Prasad (West) Thermal coal block in Orissa, your Company agreed to participate in the 11% Equity of newly formed MJSJ Coal Limited, Orissa along with four other partners. The Government of India has decided to allot 1,522 acres of Gopal Prasad west area to MJSJ. Mahanadi Coalfields Ltd., a Public Sector Company holds 60% of the Equity. Land acquisition is under progress. Your Company has invested Rs.4.41 crores in MJSJ as on 31st March 2010.

9.4 Power Exchange of India Limited (PXIL)

Your Company has acquired 3.64% stake by investing Rs.1.25 crores in PXIL which provides the platform for trading in electricity. PXIL is promoted by National Stock Exchange of India Limited

and National Commodities & Derivatives Exchange Limited. This investment is aimed at nurturing a dynamic and matured power exchange platform for efficient utilization of scarce power resource.

9.5 Acquisition of South African Coal Mining Holding Limited (SACMH)

RBC & Mainsail collectively hold majority shareholding in South African Coal Mining Holdings Ltd. (SACMH). The acquisition of RBC & Mainsail is expected to enhance the fuel security for the Company with the commissioning of imported coal based power plants.

10. CREDIT RATING

The rating to the long-term bank facilities of your company, aggregating Rs.3,134.66 crores has been upgraded and assigned 'CARE A+' (Single A Plus). This rating is applicable to facilities having tenure of more than one year. Facilities with this rating are considered to offer adequate safety for timely servicing debt obligations and such facilities carry low credit risk.

The rating to the short-term bank facilities of your company, aggregating Rs.1,051.00 crores has been upgraded and assigned 'PR 1+' (PR One Plus). This rating is applicable to facilities having a tenure upto one year. Facilities with this rating indicate strong capacity for timely payment of short-term debt obligations and carry lowest credit risk.

11. FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Financial Companies (Reserve bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

12. MEMORANDUM OF UNDERSTANDING (MOU)

Your Company has, from time to time, signed MOUs with State Governments as follows:

MOU Date	State Govt. of	Purpose	Location
12th January 2007 & 2009	Gujarat	Establishing 2400 MW Power Plant	Gujarat
17th March 2008	Madhya Pradesh	Establishing 1320 MW Power Plant.	Madhya Pradesh
1st February 2008	Chattisgarh	Establishing 1100 MW Power Project	Chattisgarh
22nd October, 2007	Jharkhand	Establishing 2000 MW Power Project	Jharkhand

13. AWARDS / RECOGNITION

a) Your company secured National Award to Power Utilities for **Meritorious Performance 2008-09** by Ministry of Power, Government of India for Third consecutive year.

b) Your company also secured first prize in State level for "**Safety and health innovation project 2009**" constituted by Karnataka Safety Council, a chapter of National Safety Council, Mumbai.

14. BOARD OF DIRECTORS

14.1. Composition

The Board comprises of Eight Directors, of which four are Independent Directors with one of them being Nominee Director.

14.2. Retirement by Rotation

In accordance with the requirements of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company,

Mr. P.Abraham and Mr. D.J. Balaji Rao, retire by rotation and being eligible, offer themselves for re-appointment.

14.3. Changes in the Composition of Directors

Mr. Prashant R. Deshpande resigned as Director with effect from 5th May 2009. Mr. Shailesh Shah resigned as Director with effect from 21st January 2010. Mr. J. K. Tandon resigns as Director with effect from 1st June 2010. The Board places on record the valuable contributions made by all of them.

Mr. Nirmal Kumar Jain was appointed as an Additional Director and Whole-time Director and designated as 'Vice-Chairman' with effect from 21st January 2010. The Company has received notice in writing from a member proposing the candidature of Mr.Nirmal Kumar Jain for the office of Director.

With effect from 1st June 2010, Mr. S.S. Rao ceases to be Joint Managing Director and Chief Executive Officer but will continue as Whole-time Director. Your Company has appointed Mr. Rao afresh as Whole-time Director w.e.f 1st July 2010 for a period of 5 years.

Mr. Lalit Kumar Gupta was appointed as an Additional Director and as Whole-time Director designated as Joint Managing Director & Chief Executive Officer w.e.f. 1st June 2010. The Company has received notice in writing from a member proposing the candidature of Mr.Lalit Kumar Gupta for the office of Director.

15. CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated under clause 49 of the Equity Listing Agreement of Stock Exchange and accordingly, the Report on Corporate Governance forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company M/s. Lodha & Co., regarding compliance with the conditions of Corporate Governance is annexed to this Report as also the Management Discussion and Analysis which is given as Annexure to this report.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had 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 the year under review;
3. that the Directors had 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;
4. that the Directors had prepared the annual accounts for the year under review, on a 'going concern' basis.

17. AUDITORS

M/s. Lodha & Co., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

18. ENERGY CONSERVATION AND ENVIRONMENT PROTECTION

Your company was able to achieve heat rate of 2319Kcal/kwh for FY 09-10 against 2321Kcal/kwh in FY 08-09 for 2X130MW units

(SBU-I) at Vijayanagar. The 2X300MW units (SBU-II) at Vijayanagar have achieved commendable heat rate of 2235Kcal/Kwh in first year of operation itself. The plant has carried out 70 and 78 Nos of Logic / Structural modifications in SBU-I and SBU-II respectively, which has resulted in enhanced plant performance and achieved remarkable PLF of 100.03% at SBU-I and 89.97% at SBU-II.

19. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) The form for disclosure of particulars with respect to Technology Absorption in Form 'B' is attached as Annexure 'A' to this report.

b) Your Company has achieved lesser on burnt carbon in bottom ash at SBU-I with in house devised optimization of controls.

c) Your Company has completed upgrading of Cooling tower gear boxes with better factor of safety to ensure enhanced availability of equipment at SBU-I.

d) Your company has developed expertise in maintenance techniques for online changing of IPCV actuator seals without taking unit shutdown at SBU-I

20. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings of the Company for year under review amounted to Rs. Nil. The foreign exchange outgo is as under:

	FY 2009-10	FY 2008-09
	Rs. in crores	Rs. in crores
Import of Coal	489.20	13.35
Traveling Expenses	0.27	0.24
Legal & Professional	-	27.32
Plant & Machinery & Spares	0.34	960.58
Interest & Finance charges	1.98	-
Total	491.79	1001.49

21. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 (Act) read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

22. ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, the financial institutions, banks, vendors, customers and shareholders during the year under review. Yours Directors also wish to place on record their deep sense of appreciation for the committed services by all the employees of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th May 2010

Sajjan Jindal
Chairman & Managing Director

ANNEXURE "A" TO DIRECTORS' REPORT

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific area in which R & D carried out by the Company	As such the company did not carry out any basic R&D work during the year 09-10. However following experiment is carried out to improve performance & safety A. Experiment on use of chlorine dioxide in place of liquid chlorine in Circulating water treatment B. Model on Pre drying of high moisture coal using waste heat
2. Benefits derived as a result of the above R & D	A. Avoiding Chlorine leak hazard in company premise B. If pre drying is successful, company will benefit from lower variable cost (on fuel)
3. Future Plan of Action	Based on result of long term effect of chlorine dioxide in CW system, use of Liquid chlorine will be stopped. Coal drying will be tried in large scale if model result is positive
4. Expenditure on R & D (in Rs. lakhs) (a) Capital (b) Recurring (c) Total (d) Total R& D expenditure as a percentage of turnover	 (a) Nil (b) Rs. 3.00 lakhs on chlorine dioxide generation (c) Rs. 3.00 lakhs (d) 0.000012%

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards Technology absorption, adaptation and innovation	A. Use of energy savers in plant lighting system of SBU-1 B. Implementation of Islanding scheme with Two generators in parallel C. Implementation of pneumatic Mill reject handling system D. Implementation of dust suppression system in coal conveyer Junction towers
2. Benefits derived as a result of the above efforts	A. Reduction in auxiliary power consumption B. Reduced blackout in the complex & cater higher load during grid disturbance C. Reduced pollution in mill area D. Avoid fugitive emission in coal handling system
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished: (a) Technology Imported (b) Year of Import (c) Has technology been fully absorbed (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	N/A

Background

The fiscal 2010 has been a difficult one for the Indian economy with a significant slowdown in the growth rate in the second half of fiscal 2009, following the financial crisis that began in the industrialized world and spread to economies across the world. The GDP growth rate in 2008-09 was 6.7 per cent with the growth rate in the last two quarters hovering around 6 per cent. The general apprehension was that this trend would persist for some time as the full impact of the economic slowdown in the developed world affected the system, with policymakers taking a calculated risk in providing substantial fiscal stimuli to counter the negative fallout of the global meltdown. A rising fiscal deficit, emergence of high double digit inflation, a delayed and severely sub-normal monsoon, the continued recession in the developed world resulting in a sluggish export growth and a slowdown in financial inflows into the economy added to the overall uncertainty. However, over the span of the year, the economy posted a remarkable recovery, not only in terms of overall growth figures but more importantly, in terms of certain key fundamentals, which justify optimism for the Indian economy in the medium to long run.

I. Industry Overview:

The cyclical slowdown in the industrial sector which began in fiscal 2008 got compounded by the global slowdown and was arrested only at the beginning of fiscal 2010. In the fiscal 2010, electricity generation emerged from the lacklustre growth witnessed in fiscal 2009 and equalled its performance in fiscal 2008. This was achieved despite constraints imposed by inadequate availability of coal and the dismal hydel-generation scenario due to sub-normal monsoon. During fiscal 2010, the total energy deficit came down to 10.1% from 11.0% during the fiscal 2009, mainly due to increase in electricity generation. The availability of gas from the KG basin (D6) resulted in better utilization of capacity and higher Plant Load Factor (PLF) as also high growth in electricity generated from gas based plants. The PLF of thermal power stations in the country has been steadily increasing over the years, representing higher utilization of installed capacity. The average PLF of thermal power stations during the period April-March 2010 was 77.48%.

II. Opportunities, Concerns and Outlook.

The Indian power sector is evolving rapidly from a nascent market phase to a developing market phase. The low power penetration levels indicate large latent demand. The power market will have to achieve consistent high growth rates to bring up the per capita consumption to comparable levels of some of the other countries. The reforms which were initiated in the nineties got strengthened with the enactment of the Electricity Act 2003, followed by open access regulations, National Electricity policy and National Tariff and Integrated Energy policy. Accordingly, the sector which historically had only a few central and state utilities is now witnessing interests from several new players looking at investments across the value chain.

The rate of infrastructure development and the government led reforms have had a significant bearing on how the development aspirations of the power sector are achieved. A new era of "Power on Power" competition would emerge, resulting in a surge in new capacity. This would reduce the base load deficit, leading to pricing pressures in the generation space with long term prices at best maintaining their current levels in nominal terms.

The generation landscape is also expected to change significantly with the private sector accounting for a significant portion of the installed capacity. An increased number of private players, many of whom with interests in smaller capacities are expected to emerge in the industry. With increasing pricing pressures and a fragmented industry structure, the industry may witness some consolidation in the medium to long term.

Power Equipment manufacturers can also leverage derived demand from the overall growth in the power sector to drive capacity expansions. Technology changes (increased role of super critical plants in thermal stations, large size reactors for nuclear plants etc.) present opportunities to introduce and absorb newer technologies and develop market niches.

As in the past, constrained fuel supplies present a major threat to the growth of the power sector. As per current trajectory, India, inspite of substantial reserves is expected to confront a supply deficit of domestic coal in the near future. Similarly, India's uranium supplies to meet its nuclear energy aspirations is also expected to fall short of its requirements.

High Transmission and Distribution losses and slow rate of DISCOM reforms are likely to hurt the industry in the last mile. Financing may also present a challenge to the industry growth, given the huge quantum of investments that need to be undertaken to fuel the planned growth. Sectoral and group caps of the financial institutions may also be potential constraints in securing such large amount of funds.

Electricity Act 2003 has been enacted and came into force from 15.06.2003. The objective is to introduce competition, protect consumers interests and provide power for all. The Act provides for National Electricity Policy, Rural Electrification, Open access in transmission, phased open access in distribution, mandatory SERCs, license free generation and distribution, power trading, mandatory metering and stringent penalties for theft of electricity.

It is a comprehensive legislation replacing Electricity Act, 1910, Electricity Supply Act, 1948 and Electricity Regulatory Commission Act, 1998. The Electricity Act, 2003 has been amended on two occasions by the Electricity (Amendment) Act, 2003 and the Electricity (Amendment) Act, 2007. The aim is to push the sector onto a trajectory of sound commercial growth and to enable the States and the Centre to move in harmony and coordination.

The all India installed power generation capacity as on 31st March 2010 was 159,398 MW comprising 102,454 MW thermal, 36,863 MW hydro, 4,560 MW nuclear and 15,521 MW renewable energy sources. The capacity addition target for the year 2009-10 was 14507 MW of which a capacity of 9585 MW was commissioned till 31st March 2010.

The electricity generation target for the year 2009-2010 was fixed as 830.30 Billion Units (BU) i.e a growth of around 7.23% over the planned generation of 774.30 BU for the previous year (2008-2009). The actual generation during April-March 2010 however, was 746.5 BU as compared to 689.0 BU generated during April-March 2009, representing a growth of about 8.35%.

CERC has issued guidelines for setting up power exchanges in India. Two power exchanges i.e Indian Energy Exchange and Power Exchange India Limited are already functional with the aim to stabilize the market rate of surplus power.

III. Standalone Financials as per Indian GAAP

During the fiscal 2010, the Company has commenced commercial operations of the 2 units of its 600 MW power plant at Toranagallu in Karnataka. Accordingly, the financial results for 2009-10 include the results of the operations of these two units also.

Revenue

During the current year the Company's revenue stream comprises of :

- Income from power generation business
- Income from Operation & Maintenance services for power plants of JSW Steel Ltd and one unit of Raj WestPower Ltd
- Income from Project Management Contracts for setting up Power plants of subsidiaries.

- Other Income

The total revenues of the Company for fiscal 2010 stood at Rs.2,441.03 crores as against Rs. 1,593.98 crores for fiscal 2009 showing an increase of 53.14%. This increase in the revenues is due to the additional income arising out of the commissioning of the 600MW plant, both units of which commenced commercial operations in July 2009 and September 2009 respectively. The increase in units generated as a result of the above increase in generation capacity was partly offset by the fall in average realisations which declined from Rs 6.00 per unit in fiscal 2009 to Rs 4.44 per unit in fiscal 2010. The increased revenues from power generation in fiscal 2010 is primarily resulting from:

- Improved efficiency in plant operation which is reflected in the improved heat rate from 2321 in 2009 to 2317 in 2010 for the 260MW plant. The heat rate for the new 600 MW plant for the fiscal 2010 was 2263.
- Plant load factor (PLF) has improved from 97.88 % in fiscal 2009 to 100.03% in fiscal 2010 for the 260 MW plant. The PLF for the new 600 MW plant was 89.78 % for the fiscal 2010 (part of the year), a year which witnessed the plant achieve a PLF of 103.57 % in March 2010.
- The net generation improved by 143.97% due to increased capacity arising from the commissioning of the 600MW plant and also the improved efficiency and high PLF, thereby enabling the company to sell more power on short term.

Operating Expenditure

The total operating expenditure increased by 45.27 % to Rs.1,085 crores in the fiscal 2010 from Rs.746.89 crores in the fiscal 2009. The reasons for the increase are summarized below:

Cost of Fuel

The cost of fuel increased by 49.43% to Rs.926.84 crores in the fiscal 2010 from Rs.620.24 crores in the fiscal 2009. The increase in cost of fuel was only due to increase in volume of coal consumed pursuant to enhancement in capacity by 600 MW as compared to the previous year by around 123% even as the price of coal had fallen by about 47% for comparative periods. This resulted in a decrease in the fuel cost per unit to Rs.1.85 per unit in the fiscal 2010 from Rs.3.02 per unit in fiscal 2009.

Employees Cost and Operation, Maintenance and Other Expenses

The employees costs and operation, maintenance and other expenses increased by 24.88 % to Rs. 158.16 crores in the fiscal 2010 from Rs.126.65 crores in the fiscal 2009, primarily due to annual increase in salaries and commencement of commercial operations of the 600 MW plant at Vijayanagar. As a percentage of the total income, the employees cost and operation, maintenance and other expenses declined to 6.48% in fiscal 2010 from 7.95% in fiscal 2009.

EBITDA

The EBITDA for the Company increased from Rs.847.09 crores in fiscal 2009 to Rs.1,356.03 crores in fiscal 2010 primarily due to the following:

- Increase in income from power generation by 80.55% from Rs.1,233.67 crores in fiscal 2009 to Rs.2,227.36 crores in fiscal 2010
- Decrease in Fuel cost per unit from Rs 3.02 per unit in fiscal 2009 to Rs 1.85 per unit in fiscal 2010
- Increase in other income from Rs.2.94 crores in fiscal 2009 to Rs.68.16 crores in fiscal 2010 primarily due to income from investment of surplus funds raised from the initial public offer (IPO) of the Company and the strengthening of the Indian rupee against the US dollar resulting in a positive exchange variance.

Interest

The interest cost for fiscal 2010 at Rs.262.30 crores increased by 118.07% over fiscal 2009 primarily due to the capitalisation of the 600 MW project in the first half of fiscal 2010 and consequent charging of all interest cost to the profit and loss account, as against the capitalisation of the same in fiscal 2009. During fiscal 2010, Company has availed debt of Rs.1,116.37 crores and has repaid debt of Rs.1,342.34 crores.

Depreciation

Depreciation increased by 108.49 % to Rs.124.32 crores in the fiscal 2010 from Rs.5,963 crores in the fiscal 2009. This was primarily due to capitalization of assets relating to the commencement of commercial operations of our 600 MW power plant at Vijayanagar.

Profit After Tax

The PAT has witnessed a quantum growth of 46.46% from Rs 578.08 crores in fiscal 2009 to Rs. 846.67 crores in fiscal 2010 primarily due to higher EBITDA and higher other income. The tax paid / provision has also increased from Rs.89.10 crores in fiscal 2009 to Rs.122.74 crores in fiscal 2010. The Earnings per Share of the Company as at the end of fiscal 2010 was Rs.5.86 per share after factoring the increased share capital base of the Company pursuant to the recent public issue of shares.

Net Worth

The net worth of the Company increased to Rs.5,366.62 crores at the end of fiscal 2010 from Rs. 1,964.86 crores at the end of fiscal 2009.

Debt Equity Ratio

The debt gearing of the company is at 0.39 times as at end of fiscal 2010 compared to 1.19 times in fiscal 2009.

Dividend

The Board has recommended a dividend of Rs.0.75 per equity share on 1,640,054,795 equity shares of Rs 10 each for the year ended March 31, 2010, subject to the approval of the shareholders at the Annual General Meeting

IV Other Developments

- Initial Public Offer (IPO) of shares by the Company
- The Company has successfully raised Rs.2,700 crores through an IPO of shares in December 2009 and the shares were listed on the Bombay Stock Exchange and the National Stock Exchange on 4th January 2010. As part of the IPO, the Company issued 267,326,604 number of fresh shares resulting in a dilution of 16.30%. The enhanced share capital of the Company post IPO now stands at 1,640,054,795 shares of Rs. 10 each.
- Acquisition of Majority stake in South African Coal Mining Holding Ltd (SACMH)

The Company has acquired a majority stake in SACMH through acquisition of shares in Royal Bafokeng Capital (RBC) and the shares of Mainsail which holds an additional 5% in SACMH.

SACMH is a listed South African Company with coal mining assets in the Witbank region with mines in Ulambu and Illanga. The mines have reserves of about 50 million tonnes with exportable surplus in the range of 14-20 million tonnes. Besides, SACMH has allocations in RBCT – Phase V of about 0.5 million tpa as also coal preparation plant and railway siding at the mine site.

The Company has also made an offer to the Board of SACMH for acquiring the shares of SACMH from other minority shareholders and for making settlement offers to certain large creditors. The said acquisition will provide a strong foothold for the Company in South Africa, besides securing high grade thermal coal to meet part of its requirement for power generation.

V. Consolidation of Accounts

The Company's consolidated financial statements include the financial performance of the following subsidiaries :

- a) JSW Power Trading Company Limited
- b) JSW Energy (Ratnagiri) Limited
- c) Raj West Power Limited
- d) Jaigad PowerTransco Limited
- e) JSW Energy (Raigarh) Limited
- f) JSW Energy (Bengal) Limited
- g) PT Param Utama Jaya Limited

The consolidated total revenues of the Company for fiscal 2010 stood at Rs.2,429.26 crores as against Rs.1,852.16 crores for fiscal 2009 showing an increase of 31.16%. The consolidated EBITDA increased from Rs.548.99 crores in fiscal 2009 to Rs.1293.09 crores in fiscal 2010 showing an increase of 135.54 %. The Profit after Tax also witnessed a quantum growth of 169.43% from Rs.276.69 crores in fiscal 2009 to Rs.745.49 crores in fiscal 2010.

VI. International Financial Reporting Standards (IFRS)

Convergence of accounting standards across the globe is gaining increasing momentum. The ICAI has released a concept paper on Convergence with IFRS in India, which details the strategy and roadmap for convergence of Indian GAAP with IFRS effective April 2011. The Company is among the first list of Companies (Phase 1 of the Roadmap) that have been mandated to adopt IFRS (based on the net worth criteria) when it becomes mandatory from April 1, 2011. Currently we report our financials under Indian GAAP and will adopt IFRS as per the roadmap issued by the ICAI.

VII. Risk Management.

The Company's present Risk Management systems are adequate and are commensurate to the nature of its existing operations. The Company is in the process of implementing an Enterprise wide Risk Management (ERM) framework with the help of KPMG across all its units, functional departments and project sites. This framework would enable the process owners to identify, assess and respond to risks in line with the Company's risk policy and appetite, considering the growth in business across geography as also diversification into different areas in the power sector. It will also provide for risk oversight of the framework and the top risks affecting the Company, by a Committee of Directors.

VIII. Internal control systems.

Internal control

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. The Internal control system is an integral part of the Company's corporate governance. The Company has already deployed Oracle ERP systems at three plant locations and also at the Corporate office over the last three fiscals, covering most of its operations supported by a well defined and structured authorization protocol. Some of the key features of the internal control system are as under:

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the Company.
- Ensuring compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources from any loss, attrition and deterioration.
- Ensuring the integrity of the accounting system; the proper and authorized recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring a reliability of all financial and operational information.
- Audit Committee comprising of Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with

Accounting Standards etc.

- A comprehensive Information Security Policy and continuous updation of IT systems

Internal audit

The Company has an internal audit function that inculcates global best standards and practices of international majors into the Indian operations. The Company has a strong internal audit department reporting to the Audit Committee comprising Independent / Nominee Directors who are experts in their field.

The Company successfully integrated the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework with its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

The internal audit process includes review and evaluation of existing processes, controls and compliance. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Significant observations including recommendations for improvement of the business processes are reviewed by the management before reporting to the Audit Committee, which reviews the Internal Audit reports and the status of implementation of the agreed action plan.

Audit Plan and Execution

The Internal Audit team prepares a Risk Based Audit Plan, which is approved by the Audit Committee. The frequency of audit is determined by the risk ratings assigned to areas / functions. The Audit plan is executed by the Internal Audit team. The audit plan is reviewed periodically to include areas which have assumed significant importance in line with the emerging trends in the industry and the aggressive growth plans of the company. In addition, the audit department also places reliance on internal customer feedback and other external events for inclusion of additional areas into the audit plan. The internal auditors present a summary of their significant observations and related actions periodically to the Audit Committee.

IX. Human Resources

The Company has a 780 member team of skilled and competent employees as on March 31, 2010. The manpower comprises of 540 graduate and diploma engineers and about 140 professionals. In FY 2009-10 186 power plant professionals have been recruited across the locations.

Key HR initiatives, 2009-10

1. Commenced Thomas Profiling for recruitment of senior level positions, thereby ensuring objective and scientific selection process in the organization.
2. Online psychometric tests have been started to ensure more objectivity in the selection process and a better fit.
3. Employee Satisfaction Survey has been carried out to assess the satisfaction levels and various HR initiatives have been taken to address the improvement areas.
4. Recruitment of personnel for the Joint Venture Company Toshiba JSW Turbine and Generator Pvt. Ltd. to various positions including 22 technical employees who have been deputed for a 10 months intensive training programme in Japan.

X. JSW Energy Centre of Excellence (JSWECE):

JSWECE forayed into educational activities by blending educational certification with power plant training for engineering professionals of the country. JSWECE launched a one-year full-time Post Graduate Diploma in Power Plant Engineering (PGDPPE) course, in academic collaboration with M.S. Ramaiah Institute of Technology, Bangalore, an autonomous Institute under Visvesvaraya Technological University, Karnataka. JSWECE has

started training power plant operators on its PC-based dynamic high-fidelity 300 MW Thermal Power Plant Simulator. JSWECE launched the 1st batch of PGDPPE in Aug 2010 with 60 students. Owing to the huge response the course received, the Institute started a second parallel batch in Feb 2010 with 60 more students. The initiative has created a win-win situation for the engineering professionals and the Indian power sector by developing a continuous stream of professionals groomed with specialised skills oriented to the power sector.

XI. Corporate Social Responsibility

The CSR vision of the JSW group cherishes people and believes in inclusive growth to facilitate creation of a value based and empowered society through continuous and purposeful engagement of all stakeholders. In partnership with external development agencies, JSW would strive to achieve sustainable development in all spheres of life including integrated community development, promotion of arts and culture, environment protection, and sports.

The Company has always viewed Corporate Social Responsibility (CSR), as an effective tool to provide economic, social and environmental value addition to the communities in and around its operations. The dominant focus of the Company is to inculcate a sense of belonging amongst the communities towards the organization by involving them in infrastructure development, environment conservation and overall development.

A separate trust named the JSW Foundation plans and monitors its social development work. The Company undertakes some community projects directly while some are routed through the Foundation.

Salient features of our work:

A. Community development:

- JSW Energy has obtained registration with CBSE for its upcoming school in Ratnagiri. From academic year 2010-11, the school will start classes upto 5th division. The JSW group presently operates four schools. These are rigorous in their academic pursuits and also in promoting extra-curricular talent.
- JSW Urja, our hospital in Ratnagiri has started servicing the local community. In the first month of its operations, it recorded more than 500 OPDs. JSW Foundation operates the Sanjeevani Hospital in Vijayanagar, which offers advanced diagnostic facility to the neighboring villages. This includes state of the art operation theatre, ICU and Burns Unit and Trauma Care Unit. This is a 70 bed hospital with facility for the physically challenged and is operating since 2003. The hospital reaches out through several medical camps.
- A major sanitation initiative is ongoing in Ratnagiri in collaboration with the Total Sanitation Campaign of the Government. A Total of 381 individual units and community units have been planned and the Company is contributing monetarily to this initiative.
- More than 50 self help groups of local women have been organized and these groups have started individual and group enterprises.
- Conversational English sessions have been started for local children
- A major initiative to get marriages registered and encourage the girl child has been launched in Rajasthan
- Community based water conservation project has been started to enable communities to understand how even small quantities of rainfall could be conserved
- A project to revive the folk traditions of the manganiars (local musicians) has been designed and will be executed in the ongoing year

- Projects in energy management at community level have been planned in the coming years
- A fund for encouraging creative talent in employees through seed support is constituted

B. Environment:

- Earth Care Awards: This is a national initiative designed to support the growing consciousness regarding issues of climate change, emissions reduction, land and water preservation, and the general reduction of environmental hazards. The awards jury is headed by Dr. M. S. Swaminathan and the Director Generals of ICFRE and ICRISAT are members.
- Cloth bags stitched at the tailoring units are being widely distributed

C. Sports promotion

- Village school ground development is a major initiative to enable students to access quality playing facility

D. Promotions of Arts:

- The JSW Foundation will shortly initiate conservation work at the Jaigad Fort in Ratnagiri.
- At the Sir J. J. School of Art in Mumbai, following a major exterior restoration initiative, the Foundation is presently restoring the interiors of the Fine Arts building and establishing an art museum at the campus.
- One scholarship has been created in collaboration with the Prince of Wales Charities for an India student to acquire advanced training in line drawing and sketching

Few other statistics:

- 500 students per year covered under conversational English courses
- 500 women from Ratnagiri benefited from the kitchen garden initiative
- 124 couples in Barmer awarded Kisan Vikas Patra from the collaborative project with the Department of Health
- 20 local boys and girls appointed as teachers in Kutehr
- 5 local teams encouraged to participate at district level sports in Kutehr

XII. Forward looking and Cautionary Statements

Certain statements in the Management Discussion and Analysis concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that would cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within the industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed price, fixed time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for power, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of companies in which strategic investments are made, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorised use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

Report on Corporate Governance for the F.Y. 2009 – 10

1. COMPANY'S GOVERNANCE PHILOSOPHY:

Good Corporate Governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximising long-term stakeholder value without compromising on integrity, social obligations and regulatory compliances. JSW Energy believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders.

The Company's philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance practices, many of which were in place even before they were mandated. This philosophy has been sought to be strengthened through the JSW Code of Conduct, the Whistle Blower Policy and the JSW Code for Prevention of Insider Trading which have been adopted, which *interalia* form guidelines for "Leadership with Trust". The Company will continue to focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

The Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below.

2.2 Composition of Board and attendance record:

Name of Director	Category of Directorship	Attendance at		No. of other Directorships and other Committee Memberships / Chairmanship		
		Board Meetings	AGM held on 2nd June 2009	Other Directorships #	Committee Memberships ##	Committee Chairmanships
Mr. Sajjan Jindal	Chairman & Managing Director	2	Yes	7	-	-
Mr. Nirmal Kumar Jain*	Vice Chairman and Whole-time Director	1	N.A.	7	2	4
Mr. Sattiraju Seshagiri Rao**	Whole-time Director and designated as Jt. Managing Director and CEO (JMD and CEO)	6	Yes	5	-	4
Mr. Lalit Kumar Gupta ***	Additional Director and Whole-time Director, designated as Jt. Managing Director and CEO (JMD and CEO)	N.A	N.A	-	-	-
Mr. P. Abraham	Non-Executive, Independent	3	No	13	3	-
Mr. Chandan Bhattacharya	Non-Executive, Independent	4	Yes	6	3	2
Mr. T. R. Bajalia	Nominee of IDBI (considered as Independent)	6	No	-	-	-
Mr. D. J. Balaji Rao	Non-Executive, Independent	5	No	9	5	4
Mr. J.K. Tandon****	Non-Executive, Non Independent	5	Yes	4	2	-
Mr. Prashant R Deshpande*****	Non-Executive, Independent	1	N.A	N.A	N.A	N.A
Mr. Shailesh Shah*****	Non-Executive, Non Independent	1	Yes	N.A	N.A	N.A

* appointed w.e.f. 21.01.2010,

** ceases to be JMD and CEO w.e.f. 01.06.2010 but continues as Whole-time Director

2. BOARD OF DIRECTORS:

2.1 Composition:

The Board of Directors as on date comprises of eight Directors, of which five are Non Executive (four w.e.f. 1st June, 2010) who bring in a wide range of skills and experience to the Board. The Chairman is Executive and the number of Independent Directors is 4. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

None of the Directors of the Company are related to each other.

6 Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates were: 4th May, 2009; 21st July, 2009; 7th August, 2009; 27th September, 2009; 16th October, 2009, 21st January, 2010.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The information as required under Annexure IA to Clause 49 is being made available to the Board.

*** appointed as Additional Director and Whole-time Director designated as JMD and CEO w.e.f 01.06.2010

**** upto 31.05.2010, *****Upto 04.05.2009, *****Upto 20.01.2010;

Alternate Directorships and Directorships in private companies, foreign companies and Section 25 Companies are excluded.

Represents Memberships / Chairmanships of Audit Committee and Shareholders' / Investors' Grievance Committee.

2.3 Changes in Board Composition:

Name of the Director	Details of Change	Date of Change
Mr. Prashant R. Deshpande	Resigned as Director	5th May, 2009
Mr. Shailesh Shah	Resigned as Director	21st January, 2010
Mr. Nirmal Kumar Jain	Appointed as Additional and Whole-time Director, designated as Vice-Chairman	21st January, 2010
Mr. J.K. Tandon	Resigned as Director	1st June, 2010
Mr. Sattiraju Seshagiri Rao	Ceases to be JMD and CEO but continues as Whole-time Director	1st June, 2010
Mr. Lalit Kumar Gupta	Appointed as Additional Director and Whole-time Director and designated as JMD and CEO	1st June, 2010

3. AUDIT COMMITTEE:

The Audit Committee presently comprises of 4 Non Executive Independent Directors.

The Members possess adequate knowledge of Accounts, Audit, Finance, etc. Mr. Chandan Bhattacharya is the Chairman of the Audit Committee.

The Audit Committee met 5 times during the year under review on following dates: 4th May, 2009; 21st July, 2009; 7th August, 2009; 16th October, 2009 and 20th January, 2010. The Composition of Committee and details of the meeting attended by the Directors are as given below:

Name of Directors	Category	No. of Meetings Attended
Mr. Chandan Bhattacharya	Non-Executive, Independent	5
Mr. D. J. Balaji Rao	Non-Executive, Independent	5
Mr. P. Abraham	Non-Executive, Independent	3
Mr. J. K. Tandon*	Non-Executive, Non Independent	3
Mr. T. R. Bajalia**	Non-Executive, Independent	N.A

*ceased to be Member of the Committee w.e.f. 27.05.2010

** appointed to be Member of the Committee w.e.f. 27.05.2010

The broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Auditors and Internal Audit department and to review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors etc. In addition, the powers and role of the Audit Committee are as laid down under Clause 49 II C & D of the Listing Agreement entered with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The CEO, CFO and head of Internal Audit attend the meetings. The Statutory Auditors are also invited to the meetings. Mr. S.Madhavan, the Company Secretary, acts as the Secretary of the Committee.

4. REMUNERATION COMMITTEE:

The Remuneration Committee met once during the year on 21st January 2010. Mr. P. Abraham is the Chairman of Remuneration Committee. The Composition of Committee and details of the meeting attended by the Directors are as given below:

Name of Directors	Category	No. of Meetings Attended
Mr. P. Abraham	Non-Executive, Independent	1
Mr D. J. Balaji Rao	Non-Executive, Independent	-
Mr. J. K. Tandon*	Non-Executive, Non Independent	1
Mr. Chandan Bhattacharya**	Non-Executive, Independent	N.A

* ceased to be Member of the Committee w.e.f 27.05.2010

** appointed to be Member of the Committee w.e.f. 27.05.2010

The terms of reference of the 'Remuneration Committee' are as follows:

- To determine on behalf of the Board and on behalf of the Shareholders, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

4.1 Remuneration Policy and Details of Remuneration paid to Directors:

The Remuneration Committee recommends the remuneration package for the Executive Directors of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of Companies of similar size and stature and the Industry Standards.

The Executive Directors' compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. Executive Directors (ED) are paid, subject to the approval of the Board and of the Company in General Meeting and such other approvals, as may be required/necessary, compensation as per the appointment terms/agreements entered into between them and the Company.

The present remuneration structure of ED comprises of salary, perquisites, allowances, performance linked incentive/special pay and contributions to PF & Gratuity.

The Non-Executive Directors (NEDs), excluding the Directors belonging to JSW Group, are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the Annual General Meeting (AGM) held on 22nd September 2008, the Commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Sections 198 and 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs, excluding the Directors belonging to JSW Group, is placed before the Board for approval.

The Commission payment for the year ended 31st March 2010 amongst the aforesaid NEDs is proposed to be distributed broadly on the following basis:

1. Lumpsum Payment;
2. Number of meetings of the Board and Audit Committee attended;
3. Role and responsibility as Chairman/Member of the Board/ Audit Committee.

During the year, the Company paid sitting fees of Rs.20,000/- per meeting to the NEDs, excluding the Directors belonging to JSW Group, for attending meetings of the Board and Committee.

The Sitting fees paid for attending the Board/Committee Meetings held during the year and Commission payable for F.Y 2009-10 is as under:-

Amount in Rs.

Name of the Non-Executive Director	Sitting Fees Paid	Commission Payable
Mr. D.J. Balaji Rao	2,00,000	3,50,000
Mr. C. Bhattacharya	4,20,000	4,05,000
Mr. P. Abraham	1,40,000	3,00,000
Mr. T.R. Bajalia*	1,20,000	3,20,000
Mr. Prashant R. Deshpande**	20,000	39,178
Total	9,00,000	14,14,178

*Payable to IDBI Bank Limited which he represents

**Director upto 04.05.2009

4.2 Remuneration of Managing and Whole-time Directors:

The details in respect of remuneration paid/payable to

the Managing Director and Whole-time Directors of the Company for the year is given below:

Name of Director	Category	Salary & Perks (Rs in Crs.)	Term
Mr. Sajjan Jindal	Chairman & Managing Director	5.02	5 years (till 31.12.2013)
Mr. Nirmal Kumar Jain*	Vice Chairman and Whole-time Director	0.52	5 years (till 20.1.2015)
Mr. S.S. Rao	Whole-time Director	1.38	5 years** (till 30.06.2015)

* w.e.f. 21.01.2010;

** earlier appointed till 11.04.2011 and re-appointed afresh from 01.07.2010 for 5 years.

Note: Salary includes Basic Salary, House Rent Allowance, Bonus, LTA, use of Company's Car, Furniture & Equipment and perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund.

4.3 Details of shares held by the Directors as on 31st March 2010:

The shares held by the Directors of the Company as on 31st March 2010 is given below:

Name of Director	No. of Shares held
Mr. Sajjan Jindal	7,41,44,262
Mr. D.J. Balaji Rao	900

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE AND OTHER COMMITTEES:

The Shareholders/Investors Grievance Committee presently comprises of an Executive Director (2 Executive Directors w.e.f. 01.06.2010) and 1 Non Executive Independent Director.

Mr. Chandan Bhattacharya is the present Chairman of the Committee.

The terms of reference of the committee are inter alia as follows:

- (a) Review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.
- (b) Investor relations and redressal of shareholders grievances including relating to non-receipt of dividend, balance sheet etc.
- (c) Oversee the performance of the Registrars and Share Transfer Agents of the Company.

The Shareholders/Investors Grievance Committee met thrice during the financial year on 20th January.2010; 24th February 2010 and 15th March 2010. The Composition

of Committee and details of the meeting attended by the Directors are as given below:

Name of Directors	Category	No. of Meetings Attended
Mr. J. K. Tandon*	Non-Executive, Independent	2
Mr. S. S. Rao	Executive	3
Mr. Lalit Kumar Gupta**	Executive	N.A
Mr. Chandan Bhattacharya***	Non-Executive, Independent	3
Mr. Prashant Deshpande****	Non-Executive, Independent	N.A

*Ceased to be Member of the Committee w.e.f. 27.05.2010,

**Appointed as Member of the Committee w.e.f. 01.06.2010,

*** Appointed as Member of the Committee w.e.f. 21.07.2009

****Ceased to be Member of the Committee w.e.f. 05.05.2009

Mr. S. Madhavan, Company Secretary is the Compliance Officer. His address and contact details are as given below:

Address: The Enclave, Behind Marathe Udyog Bhavan,
New Prabhadevi Road,
Prabhadevi Road, Mumbai 400 025

Te. : 022-67838000

Fax : 022-24320740

E-mail : jswel.investor@jsw.in

The status of total number of complaints received during the year were as follows:

Description	Total	
	Received	Replied
Letter received from Statutory bodies (SEBI / Stock Exchange)	46	46
Letter received from Shareholders	1070	1070
Total	1116	1116

5.1 Other Committees of the Board of Directors:

In addition to the above referred Committees, the Board has constituted the Finance Committee, Projects Committee etc. of Directors to consider various business matters.

6. ANNUAL GENERAL MEETINGS:

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years are as under:

AGM	Date	Time	Venue
15th	02.06.2009	11.00 a.m.	Jindal Mansion, 5A, G. Deshmukh Marg, Mumbai – 400 026
14th	22.09.2008	11.00 a.m.	
13th	21.09.2007	11.00 a.m.	

Details of Special Resolutions passed in the previous three AGMs:

AGM	Particulars of Special Resolutions passed there at
15th	No Special Resolution was passed at this AGM
14th	i) Change in place of keeping Registers and records ii) Commission to Non-Executive Directors iii) Creation of Security on assets of the Company
13th	No Special Resolution was passed at this AGM

None of the businesses required to be transacted at the 16th AGM is proposed to be passed by postal ballot.

7. DISCLOSURES:

- 7.1 There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or relatives etc. that conflict with the interests of the Company.
- 7.2 No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- 7.3 The Company had during the year under review inter alia made initial public offering of Shares of Rs.10 each at a premium, aggregating Rs.2,700 crores. The Company has not utilised these funds for purposes other than those stated in the offer document.
- 7.4 The Whistle Blower Policy (WBP) adopted by the Company on 21st January, 2010 in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement, which is a non mandatory requirement, encourages all employees to report any suspected violations promptly and intends to investigate any good faith reports of violations. The WBP specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Company affirms that no employee has been denied access to the Ethics Counsellor/Audit Committee.
- 7.5 All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- 7.6 The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- 7.7 In terms of Clause 49(V) of the Listing Agreement, the Managing Director, the JMD and CEO and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

8. SUBSIDIARY MONITORING FRAMEWORK:

All the subsidiary companies of the Company are Board managed with their Boards having the right and obligations to manage such companies in the best interest of their stake holders. As a majority shareholder, the Company can nominate its representatives on the Boards of subsidiary

companies and monitors the performance of such companies, inter alia, by the following means:

- Copies of the Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are tabled before the Company's Board on quarterly basis.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.
- Quarterly compliance reports issued by Director-in-charge/Finance and Accounts head/Company Secretary/HR head of the Subsidiary Companies are tabled before the Company's Board quarterly.
- Financial Results are also tabled before the Company's Board on quarterly basis.

9. MEANS OF COMMUNICATION:

9.1 Quarterly/Annual Results: The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

9.2 News Releases: The Quarterly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, atleast in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State where the Registered Office of the Company is situated.

The results during the financial year 2009-10 were published as detailed below:

(FY 2009-10)	Date of Board Meeting	Date of Publication	Name of Newspaper	Language
Third Quarter	21.01.2010	22.01.2010	Business Standard	English
			Financial Express	English
			Business Lines	English
			Sakal	Marathi
Annual Results	27.04.2010	28.04.2010	Business Standard	English
			Financial Express	English
			Business Lines	English
			Sakal	Marathi

9.3 Website: The Company's website www.jsw.in contains a separate dedicated section "Investor Relations" where latest shareholders information is available. The Quarterly and Annual Results are simultaneously posted on the website.

9.4 Presentations to Analysts: The Company's shares are listed in both Bombay Stock Exchange Limited and National Stock Exchange of India Limited and trading in Company's shares commenced from 4th January, 2010. Since then, two presentations were made to analysts on 21.01.2010 and

27.04.2010, which are available on the Company's web site. The presentations broadly covered operations, financials and industry outlook.

9.5 Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD & A) Report forms part of the Annual Report. This Annual Report is also available on the Company's website.

9.6 Chairman's Communique: Printed copy of the Chairman's Speech will be distributed to all the shareholders at the Annual General Meeting. The same will also be placed on the website of the Company.

10. GENERAL SHAREHOLDERS INFORMATION:

10.1 Annual General Meeting:

Date and Time	: Thursday, 15th day of July, 2010 at 11.00 a.m
Venue	: Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020
Dates of Book Closure	: Thursday, 1st July, 2010 to Tuesday, 6th July, 2010 (both days inclusive)

Dividend Announcement: The Board of Directors of the Company has recommended a dividend of 7.5% (Rs.0.75 per share) on the equity share of the face value of Rs.10 each for the year ended March 2010, subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting.

Date of Dividend Payment: Before 14th August 2010.

Dividend Eligibility: The dividend on equity shares of the Company as recommended by the Board of Directors of the Company, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be paid as under:

- To all those beneficial owners in respect of the shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on Wednesday, 30th June 2010; and
- To all those shareholders as at the close of business hours on Wednesday, 30th June 2010 in respect of the shares held in physical form (after giving effect to the valid transfers in respect of the shares lodged with the Company on or before the close of business hours on Wednesday, 30th June 2010).

10.2 Financial Calendar 2010-11 (tentative):

First quarterly results	July, 2010
Second quarterly results	October, 2010
Third quarterly results	January, 2011
Annual results for the year-2011	April / May 2011

10.3 Listing on Stock Exchanges and Stock Codes:

The Company's Equity Shares are listed on the following Stock Exchanges in India:

Name	Address	Stock Code
Bombay Stock Exchange Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	533148
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai - 400 051	JSWENERGY- EQ

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the financial year 2010-11.

ISIN:

Equity	INE121E01018
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10.4 Market Price Data:

The monthly high/low market price of the shares during the year 2009-10 since listing at the Stock Exchanges are as under:

Month	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High (Rs. per share)	Low (Rs. per share)	High (Rs. per share)	Low (Rs. per share)
January 2010	123.90	100.00	123.80	100.00
February 2010	113.20	102.00	112.80	102.05
March 2010	117.55	104.05	117.45	104.10

10.5 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited (KARVY)
Unit: JSW Energy Limited
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500 081
Tel.: 040 - 23420815 to 824, Fax : 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

10.6 Share Transfer System:

Share Transfers in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned address. The transfer requests are normally processed within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks. The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Shareholders' / Investor Grievance Committee. The minutes of Shareholders' / Investor Grievance Committee meeting are placed at every Board Meeting. The Company obtains from a Company Secretary in Practice, periodic certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the certificate with the Stock Exchanges.

10.7 Distribution of Shareholding:

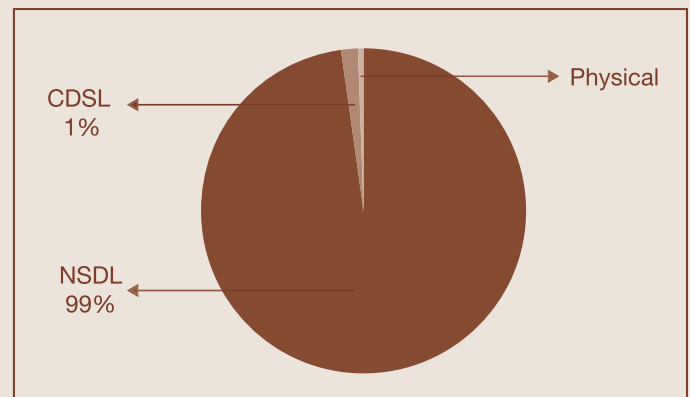
The distribution of shareholding as on 31st March, 2010 is given below:

No of Equity Shares	No. of Shareholders	No. of Shares	% of Total shares
1 - 5000	88835	23284325	1.42
5001 - 10000	356	2772298	0.17
10001 - 20000	176	2575743	0.16
20001 - 30000	89	2247756	0.14
30001 - 40000	28	996772	0.06
40001 - 50000	28	1326504	0.08
50001 - 100000	62	4835890	0.29
100001 & Above	126	1602015507	97.68
TOTAL	89700	1640054795	100.00

10.8 Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	1622777220	98.95	62619	69.81
CDSL	17276242	1.05	27075	30.18
Sub Total	1640053462	100.00	89694	99.99
Physical form	1333	0.00	6	0.01
Total	1640054795	100.00	89700	100.00



10.9 Outstanding GDRs / ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity:

NIL

10.10 Registered Office:

Jindal Mansion, 5A, Dr. G. Deshmukh Marg,
Mumbai – 400 026

10.11 Plant Locations:

Post Box No.9, Toranagallu, Dist.: Bellary – 583 123, Karnataka

10.12 Address for Investor Correspondence:

- i) Registrar & Share Transfer Agents
Karvy Computershare Private Limited
Unit: JSW Energy Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Tel.: 040 - 23420815-824 (10 lines)
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com
- ii) For Securities held in Demat form

The Investors' Depository Participant(s) and/or Karvy
Computershare Private Limited
- iii) JSW Energy Limited - Investor Relation Centre
The Enclave, Behind Marathe Udyog Bhavan,
New Prabhadevi Road, Prabhadevi Road,
Mumbai - 400 025

10.13 Designated exclusive e-mail id for Investor servicing:

jswel.investor@jsw.in

10.14 Toll Free Number of R & T Agent's exclusive call centre:

1-800-3454001

11. CORPORATE ETHICS:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and a Code of Conduct for Prevention of Insider Trading as detailed below has been adopted pursuant to clause 49 (D) of the Listing Agreement & the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, respectively.

11.1 Code of Conduct for Board Members and Senior Management:

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management at their meeting held on 9th May 2008. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all Directors and specified Senior Management executives. The Code impresses upon Directors and Senior Management executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company. www.jsw.in

Declaration affirming compliance of Code of Conduct:

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by Joint Managing Director and CEO affirming compliance of Board members and senior management personnel to the Code is given below.

Declaration

As provided under Clause 49 of the Listing Agreement, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for year ended 31.03.2010.

For JSW Energy Limited

Place: Mumbai

Date: 27th May 2010

S. S. Rao

Jt. Managing Director & CEO

11.2 Code of Conduct for Prevention of Insider Trading

The Company has adopted the Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, top level executives and staff whilst dealing in shares. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

11.3 Compliance Certificate by Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49, which is annexed herewith.

12. OTHER SHAREHOLDER INFORMATION:

12.1 Corporate Identity Number (CIN):

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is U74999MH1994PLC077041.

12.2 Shares held in electronic form:

Members holding shares in electronic form may please note that:

- i. Instructions regarding bank details which they wish to have incorporated in dividend warrants must be submitted to their Depository Participants (DPs). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these Depositories to the Company.
- ii. Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- iii. Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

- iv. The Company provides ECS facilities for shares held in electronic form and Members are urged to avail of this facility.

12.3 Electronic Clearing Service (ECS) Facility:

Under ECS facility, Members get an option to receive dividend directly to their bank account rather than receiving the same through Dividend Warrants. Members holding shares in physical form, who wish to avail ECS facility, are requested to send their ECS mandate in the prescribed form to Karvy, in the event they have not done so earlier. Members holding shares in electronic form are requested to give the ECS mandate to their respective DPs directly.

The ECS Mandate Form can be obtained from KARVY or downloaded from the Company's website www.jsw.in under the section 'Investor Relations'.

12.4 Depository Services:

Members may write to the respective Depository or to Karvy for guidance on depository services.

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai 400 023
Tel.: 022-2499 4200	Tel.: 022-2272 3333
Fax: 022-2497 6351	Fax: 022-2272 3199
E-mail: info@nsdl.co.in	E-mail: investor@cdslindia.com
website: www.nsdl.co.in	website: www.cdslindia.com

12.5 Nomination Facility:

Pursuant to the provisions of Section 109A of the Companies Act, 1956, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests in Form No. 2B to KARVY. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No. 2B can be obtained from KARVY or downloaded from the Company's website www.jsw.in under the section 'Investor Relations'.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

We have examined the compliance of the conditions of Corporate Governance by JSW Energy Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **LODHA & CO.**
Chartered Accountants

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 27th May 2010

———— Auditors' Report ————

To the Members of JSW ENERGY LIMITED

1. We have audited the attached Balance Sheet of **JSW ENERGY LIMITED** as at 31st March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable;
 - e) On the basis of the written representation received from directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010, from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) In our opinion and to best of our information and according to the explanations given to us, the said accounts read together with Note No. 4 in Schedule 'P' "Significant Accounting Policies and Notes to Accounts" regarding overdues of Rs. 5.35 crores from Karnataka Power Transmission Corporation Limited, the matter in respect of which is pending in Supreme Court and other notes appearing in the said Schedule and elsewhere in the accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

R. P. Baradiya
Partner

Place: Mumbai
Date: 27th April 2010

Membership No. 44101
Firm Registration No. 301051E

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010 OF JSW ENERGY LIMITED.

On the basis of such checks as were considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been verified in accordance with a phased programme designed to cover all assets once in three years. The frequency of verification is considered reasonable, having regard to the size of the Company and nature of its fixed assets. Pursuant to the programme, physical verification of certain plant and machinery was conducted and no material discrepancies were noticed on such verification.
- c) During the year, no substantial part of fixed assets has been disposed off by the Company.
2. a) The inventory has been physically verified by the management at reasonable intervals during the year.
- b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of examinations of the record of the inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. The Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us and having regard to the fact that some of the items purchased are of a special nature in respect of which suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, no major weaknesses have been noticed in the aforesaid internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion, having regard to our comments in Para 4 above and according to the information and explanations given to us, the transactions made

in pursuance of such contracts or arrangements aggregating during the year to Rs. 5,00,000 or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. No deposits within the meaning of Section 58A and Section 58AA of the Act and rules framed thereunder have been accepted by the Company.
7. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under Section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of any dispute except the following:

Name of the Statute	Period to which the amount relates	Forum where the dispute is pending	Total Amount (Rs. in crores)
Income Tax	Financial Year 2006-07	Chief Commissioner of Income Tax – I, Bangalore	1.17*

*of which Rs.1.00 crore paid on 5th April 2010.

10. The Company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

12. During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees/securities given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interest of the Company.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on overall examination of the cash flow statements and balance sheet of the Company, in our opinion, funds raised on short term basis have, prima facie, not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has created securities in respect of debentures issued in the earlier years.
20. The management has disclosed on the end use of money raised by public issues and the same has been verified by us.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LODHA & CO.**
Chartered Accountants

R. P. Baradiya
Partner

Place: Mumbai
Date: 27th April 2010

Membership No. 44101
Firm Registration No. 301051E

————— Balance Sheet as at 31st March, 2010 —————

Rupees in crores

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	A	1,640.05	546.57
Reserves & Surplus	B	3,726.57	1,418.29
2. Loan Funds			
Secured Loans	C	2,005.18	2,331.14
3. Unsecured Loans			
	D	100.00	—
4. Deferred Tax Liability			
		118.19	81.51
Total		7,589.99	4,377.51
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	E	2,920.64	1,100.59
b) Less: Depreciation		655.92	532.54
c) Net Block		2,264.72	568.05
d) Capital Work-in-Progress		173.91	1,879.61
		2,438.63	2,447.66
2. Investments			
	F	4,310.41	1,939.94
3. Current Assets, Loans & Advances			
a) Inventories	G	256.75	32.27
b) Sundry Debtors	H	267.85	111.45
c) Unbilled Revenue		104.28	4.10
d) Cash and Bank Balances	I	541.01	26.42
e) Loans and Advances	J	353.06	150.07
		1,522.95	324.31
Less: Current Liabilities & Provisions			
a) Liabilities	K	532.94	330.62
b) Provisions	L	149.06	3.78
		682.00	334.40
Net Current Assets		840.95	(10.09)
Total		7,589.99	4,377.51
Significant Accounting Policies and Notes to Accounts	P		
The above schedules form part of the Financial Statements			

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

R.P. Baradiya

Partner

Place: Mumbai

Date: 27th April, 2010

Sampath Madhavan

Company Secretary

For and on behalf of the Board of Directors

N.K. Jain

Vice Chairman

Pramod Menon

Chief Financial Officer

Sajjan Jindal

Chairman and Managing Director

S.S. Rao

Jt. Managing Director & CEO

Profit and Loss Account for the year ended 31st March, 2010

Rupees in crores

	Schedule	For the Year ended 31.03.2010	For the Year ended 31.03.2009
INCOME			
Income from operations:			
Sale of Power		2,227.36	1,233.67
Operator Fee		24.68	17.87
Project Management Fee		120.83	339.50
Other Income	M	68.16	2.94
Total		2,441.03	1,593.98
EXPENDITURE			
Cost of Fuel		926.84	620.24
Operation, Maintenance and Other expenses	N	158.16	126.65
Interest and Finance Charges	O	262.30	120.28
Depreciation		124.32	59.63
Total		1,471.62	926.80
Profit before Taxation		969.41	667.18
Provision for Taxation (including Wealth Tax) - [Refer Note 11 in Schedule 'P']		122.74	89.10
Profit after Taxation		846.67	578.08
Profit brought forward from earlier year		1,228.02	649.94
Profit available for appropriation		2,074.69	1,228.02
Appropriations:			
Dividend		123.00	-
Dividend Distribution Tax		20.43	-
Balance carried to Balance Sheet		1,931.26	1,228.02
Earnings per share of face value of Rs. 10 each (EPS) - Basic & Diluted		5.86	4.23
Significant Accounting Policies and Notes to Accounts	P		
The above Schedules form part of the Financial Statements			

As per our attached report of even date
For Lodha & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.P. Baradiya
Partner

N.K. Jain
Vice Chairman

Sajjan Jindal
Chairman and Managing Director

Place: Mumbai
Date: 27th April, 2010

Sampath Madhavan
Company Secretary

Pramod Menon
Chief Financial Officer

S.S. Rao
Jt. Managing Director & CEO

Cash Flow Statement for the year ended 31st March, 2010

	For the Year ended 31.03.2010	Rupees in crores For the Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	969.41	667.18
Adjusted for:		
Depreciation	124.32	59.63
Interest Income	(3.71)	(2.74)
Amortisation of Employees Share payments	0.73	0.73
Preliminary expenses/Share issue expenses	-	2.94
Loss on Sale of Fixed Assets	0.12	0.21
Foreign Exchange - (Gain)/Loss	(7.45)	(0.04)
Interest Expenditure	262.30	120.28
	<u>376.31</u>	<u>181.01</u>
Operating profit before working capital changes	<u>1345.72</u>	<u>848.19</u>
Adjustments for:		
Trade and Other Receivables	(156.40)	(29.44)
Unbilled Revenue	(100.18)	51.34
Trade Payables including Advance received from customers	281.04	(41.00)
Loans & Advances	(65.17)	(37.34)
Inventories	(224.48)	(2.22)
	<u>(265.19)</u>	<u>(58.66)</u>
Cash generated from operations	<u>1080.53</u>	<u>789.53</u>
Direct Taxes Paid (Net)	<u>(163.93)</u>	<u>(75.99)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>916.60</u>	<u>713.54</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets including CWIP & Pre-operative Expenses	(217.97)	(637.41)
Interest Income	3.71	2.74
Investments (including advance against share capital) in:		
Subsidiaries	(1,194.35)	(704.79)
Associates	(5.10)	(44.56)
Others	(0.77)	(3.76)
Sale of Fixed Assets	0.17	0.30
NET CASH USED IN INVESTMENT ACTIVITIES	<u>(1,414.31)</u>	<u>(1,387.48)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (net of share issue expenses of Rs. 37.55 crores; Previous year Rs.Nil)	2,725.45	34.31
Borrowings (Net)	(225.96)	780.81
Interest Paid	(266.12)	(121.07)
Dividend Paid	-	(120.45)
NET CASH USED IN FINANCING ACTIVITIES	<u>2,233.37</u>	<u>573.60</u>
NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>1735.66</u>	<u>(100.34)</u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	<u>6.42</u>	<u>76.31</u>
ADD: PURSUANT TO SCHEME OF AMALGAMATION	<u>-</u>	<u>30.45</u>
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<u>1,742.08</u>	<u>6.42</u>

Notes:

- 1 The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3.
- 2 Cash and cash equivalents exclude balance in margin money of Rs. 28.25 crores (Previous Year Rs. 20.00 crores) and includes Rs. 1,229.32 crores (Previous Year Nil) being investments in Mutual Funds.
- 3 Previous year's figures have been regrouped/ rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

R.P. Baradiya

Partner

Place: Mumbai

Date: 27th April, 2010

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For and on behalf of the Board of Directors

N.K. Jain

Vice Chairman

Pramod Menon

Chief Financial Officer

Sajjan Jindal

Chairman and Managing Director

S.S. Rao

Jt. Managing Director & CEO

Sampath Madhavan

Company Secretary

Schedules Forming Part of the Balance Sheet as at 31st March 2010

Rupees in crores

	As at 31.03.2010	As at 31.03. 2009
SCHEDULE 'A' – SHARE CAPITAL		
1. Authorised		
5,000,000,000 (Previous Year 1,501,000,000) Equity Shares of Rs.10 each	5,000.00	1,501.00
2. Issued, Subscribed & Paid Up		
1,640,054,795 (Previous Year 546,571,277) Equity Shares of Rs.10 each	1,640.05	546.57
The above includes:		
(a) 31,816,044 (Previous Year 31,816,044) Equity Shares of Rs. 10 each allotted to the shareholders of erstwhile JSW Energy (Vijayanagar) Ltd., pursuant to the Scheme of Amalgamation without payment being received in cash		
(b) 987,812,147 (Previous Year 167,955,233) Equity Shares of Rs.10 each issued as fully paid up Bonus Shares by Capitalisation of General Reserves and Surplus in P&L Account		
SCHEDULE 'B' – RESERVES AND SURPLUS		
1. Debenture Redemption Reserve		
As per last Balance Sheet	4.80	20.24
Less: Amount transferred to General Reserve on redemption of Debentures	–	15.44
	4.80	4.80
2. General Reserve		
As per last Balance Sheet	184.52	85.60
Add: As per the Scheme of Amalgamation	–	91.48
Amount transferred from Debenture Redemption Reserve Account	–	15.44
Less: Amount Capitalised for Bonus Shares issued	93.03	–
Less: Exchange Difference of previous year adjusted to cost of Fixed Assets	–	8.00
	91.49	184.52
3. Securities Premium Account		
As per last Balance Sheet	–	–
Add: Received towards Issue of Equity Shares	2,489.37	–
Less: Share Issue Expenses (Refer Note 5 in Schedule 'P')	65.19	–
	2,424.18	–
4. Share Options Outstanding		
As per last Balance Sheet	0.94	0.21
Add: Additions during the year	0.73	0.73
	1.67	0.94
5. Surplus as per Profit & Loss account	1,931.26	1,228.03
Less: Amount Capitalised for Bonus Shares issued	726.83	–
	1,204.43	1,228.03
	3,726.57	1,418.29

— Schedules Forming Part of the Balance Sheet as at 31st March 2010 —

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C' – SECURED LOANS		
1. Debentures		
a) 140 (Previous Year 140) 20% Secured Redeemable Non-Convertible Debentures of Rs.100 lacs each, redeemable at par in 44 quarterly instalments commenced from 15th July, 2001	140.00	140.00
Less: Redeemed till date	126.70	120.80
	13.30	19.20
2. Rupee Term Loans		
a) Financial Institutions	239.22	29.13
b) Banks	1,734.44	2,216.03
3. Foreign Currency Term Loans from a Financial Institution	18.22	48.00
4. Working Capital Loan from Banks	—	18.78
	2,005.18	2,331.14

Note for Secured Loans:**Terms of Redemptions:**

- 20% Secured Redeemable Non-Convertible Debentures of Rs. 100 lacs each, redeemable at par in 44 quarterly instalments commenced from 15th July, 2001.

Details of Security:

- Debentures aggregating to Rs.13.30 Crores, mentioned in 1 (a), Term Loan aggregating to Rs.28.70 crores included in 2 (a) and (b), Foreign Currency Loan amounting to Rs.18.22 crores and Working Capital Loans pertaining to SBU I (2 x 130 MW Thermal Power Plant) aggregating to Rs.NIL are secured on a *pari passu* basis by (a) a first ranking legal mortgage of immovable property of the Company's SBU I unit situated in Maharashtra (b) a first ranking charge by way of equitable mortgage of immovable assets of the Company's SBU-I unit situated in the State of Karnataka, (c) a first ranking charge by way of hypothecation of moveable assets of the Company's SBU-I unit, (d) a first ranking charge on the receivables and interest in the Retention Accounts, both present and future of the Company's SBU-I Unit.
- Rupee term loan mentioned in 2 (b) aggregating of Rs. 27.15 crores is secured on a *pari passu* basis by the way of (a) second charge by way of mortgage on the immovable assets of Company's SBU-I Unit and (b) second charge by way of hypothecation of movable assets (excluding book debts) of the Company's SBU I unit.
- Rupee term loan mentioned at 2 (b) aggregating Rs. 1207.81 crores pertaining to SBU II (2 x 300 MW Thermal Power Plant) are secured on *pari passu* basis by (a) a first ranking equitable mortgage on the immovable property of Company's 2X300 MW Power Project (SBU-II unit) assets situated in the State of Karnataka including receivables and interest in the Retention Accounts, both present and future, (b) a first charge by way of hypothecation of its movable assets of Company's SBU II unit and (c) a first ranking charge by way of legal mortgage of immovable assets of Company's SBU II unit situated in the State of Maharashtra.
- Rupee term loan mentioned at 2 (a) & (b) aggregating Rs. 262 crores is secured on *pari passu* basis by (a) a first ranking equitable mortgage on the immovable property of Company's SBUI (2X130 MW) Power Project assets situated in the State of Karnataka including receivables and interest in the Retention Accounts, both present and future, (b) a first charge by way of hypothecation of its movable assets of Company's SBU I unit.
- Rupee term loan mentioned at 2 (a) & (b) aggregating Rs. 338 crores is secured on *pari passu* basis by (a) a second ranking equitable mortgage on the immovable property of Company's SBU I (2X130 MW) & SBU II (2 x 300 MW) Power Project assets situated in the State of Karnataka, (b) a first ranking charge on SBU I Unit's receivables and interest in the Retention Accounts, both present and future, and (c) a second charge by way of hypothecation of movable assets of Company's SBU I & SBU II unit.
- Rupee term loan mentioned at 2 (b) aggregating Rs. 110 crores is availed on which security has to be created. The security for said loan is on *pari passu* basis (a) a first ranking equitable mortgage on the immovable property of Company's SBU I (2X130 MW) Power Project assets and (b) a first charge by way of hypothecation of movable assets of Company's SBU I unit.

Rupees in crores

	As at 31st March 2010	As at 31st March 2009
SCHEDULE 'D' – UNSECURED LOANS		
Short Term Loan from a Bank	100.00	—
	100.00	—

— Schedules Forming Part of the Balance Sheet as at 31st March 2010 —

SCHEDULE 'E' – FIXED ASSETS

Rupees in crores

Particulars	Gross Block (At Cost)			Depreciation / Amortisation / Impairment			Net Block				
	As at 01.04.2009	Transferred under Scheme of Amalgamation	Additions	Deductions	As at 31.03.2010	Upto 31.03.2009	Transferred under Scheme of Amalgamation	For the year	Deductions/ Adjustments	As at 31.03.2010	As at 31.03.2009
a) Tangibles											
Freehold Land	1.36	—	—	—	1.36	—	—	—	—	1.36	1.36
Buildings	15.70	—	5.61	—	21.31	3.20	—	0.46	—	17.65	12.50
Plant & Machinery*	1,077.52	—	1,811.23	4.64	2,884.11	527.79	—	122.64	0.85	649.58	549.72
Furniture & Fittings	3.13	—	2.10	—	5.23	1.06	—	0.28	—	3.89	2.07
Motor Vehicles	2.49	—	2.29	0.36	4.42	0.41	—	0.28	0.08	3.81	2.08
b) Intangibles											
Specialised Softwares	0.39	—	3.82	—	4.21	0.07	—	0.66	—	3.48	0.32
TOTAL	1,100.59	—	1,825.05	5.00	2,920.64	532.54	—	124.32	0.93	655.92	568.05
Previous Year	1,090.64	0.75	10.45	1.25	1,100.59	473.37	0.05	59.63	0.52	532.54	568.05

- *Includes Gross Block Rs. 28.00 crores (Previous Year Rs. 28.00 crores); Net Block Rs.100 (Previous Year Rs. 2.80 crores) towards Company's share of Water Supply System constructed on land not owned by the Company, being written off over a period of 10 years from 1st April, 2000.
- Additions to/Deductions from Plant & Machinery for the period includes foreign exchange gain/(Loss) of Rs. 3.75 crores (Previous Year Rs. (5.05) crores).
- Fixed Assets includes Borrowing Costs of Rs. 188.34 crores (Previous Year Nil) capitalised during the year.

— Schedules Forming Part of the Balance Sheet as at 31st March 2010 —

Rupees in crores

	As at 31st March 2010	As at 31st March 2009
SCHEDULE 'E' - FIXED ASSETS (Contd.)		
CAPITAL WORK-IN-PROGRESS		
CAPITAL WORK-IN-PROGRESS AND PRE-OPERATIVE		
EXPENSES DURING CONSTRUCTION PERIOD AND TRIAL RUN		
PRODUCTION (PENDING ALLOCATION)		
PLANT & MACHINERY AND CIVIL WORKS		
Capital Advances	146.52	167.01
Plant and Machinery under implementation	1,342.57	1,313.00
Software under implementation	1.05	1.31
Civil Works	57.74	38.07
	<u>1,547.88</u>	<u>1,519.39</u>
Less: Amount Transferred to Fixed Assets	1,395.11	—
Sub Total (A)	<u>152.77</u>	<u>1,519.39</u>
PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD & TRIAL RUN		
Opening Balance	360.22	62.89
Cost of Fuel	180.31	3.44
Employees Cost	3.61	—
Consumption of Stores & Spares	0.12	—
Water	2.03	—
Rates and Taxes	1.47	0.82
Insurance	1.23	1.89
Rent	0.08	0.13
Legal and Professional Expenses	7.52	3.62
Project Management Expenses	—	144.86
Travelling and Conveyance	0.23	0.46
General Expenses	0.65	0.71
Interest on Fixed Loans	43.88	110.37
Finance charges	4.48	0.40
Exchange Loss	—	30.74
Depreciation	0.01	0.03
Fringe Benefit Tax	—	0.01
	<u>605.84</u>	<u>360.37</u>
Less: Revenue from Sale of Power	153.45	—
Less: Interest Income	0.01	0.15
Less: Foreign Exchange Gain	5.56	—
	<u>446.82</u>	<u>360.22</u>
Less: Amount Transferred to Fixed Assets	420.63	—
Less: Amount Transferred to Profit & Loss Account	5.05	—
Sub Total (B)	<u>21.14</u>	<u>360.22</u>
Total (A+B)	<u>173.91</u>	<u>1,879.61</u>

Schedules Forming Part of the Balance Sheet as at 31st March 2010

Rupees in crores

	As at 31.03. 2010	As at 31.03.2009
SCHEDULE 'F' - INVESTMENTS		
A. Long Term Investments:		
i) Government Securities		
6-Year National Savings Certificate (Rs. 10,000; Previous Year Rs. 10,000) (Pledged with Commercial Tax Department)	-	-
(i)	-	-
ii) Non-trade & Unquoted		
In Subsidiary Companies		
a) 7,00,00,000 (Previous Year 7,00,00,000) Equity Shares of Rs. 10 each fully paid up of JSW Power Trading Company Limited (JSWPTCL)	70.02	70.02
b) 162,64,00,000 (Previous Year 1,06,94,99,268) Equity Shares of Rs. 10 each fully paid up of Raj West Power Limited (RWPL) *	1,626.40	1,069.50
*of which 33,37,49,781 shares pledged as security in favour of financial institutions for loans granted to RWPL		
c) 111,85,70,600 (Previous Year 58,85,00,600) Equity Shares of Rs. 10 each fully paid up of JSW Energy (Ratnagiri) Limited (JSWERL)*	1,118.57	588.50
*of which 36,00,96,006 shares pledged as security in favour of financial institutions for loans granted to JSWERL		
d) 1,500 (Previous Year 1,500) Equity Shares of Indonesian Rupiah 10,00,000 each fully paid up of PT Param Utama Jaya, Indonesia	17.84	17.84
e) 4,33,11,830 (Previous Year 4,33,11,830) Equity Shares of Rs. 10 each fully paid up of Jaigad Power Transco Limited (JPTL)*	43.31	43.31
*of which 2,98,50,045 shares pledged as security in favour of financial institutions for loans granted to JPTL		
f) 13,20,00,000 (Previous Year 12,50,00,000) 10% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid of JSW Power Trading Company Limited (JSWPTCL)	132.00	125.00
g) 1,94,89,300 Equity Shares of Rs. 10 each fully paid up of JSW Energy (Raigarh) Limited	19.49	-
h) 37,000 Equity Shares of Rs. 10 each fully paid up of JSW Energy (Bengal) Limited	0.04	-
(ii)	3,027.67	1,914.17
Other than subsidiaries		
a) 10 (Previous Year 10) Equity Shares of AED 100 each fully paid up of JSW Energy Overseas Limited, Dubai (Rs. 13,922)	-	-
b) 3,75,500 (Previous Year 3,75,500) 10% Redeemable Non-Cumulative Preference Shares of Rs. 100 each fully paid up of JSW Realty & Infrastructure Pvt. Limited	3.76	3.76
c) 4,40,00,000 (Previous Year 2,20,00,000) Equity Shares of Rs. 10 each fully paid up of Toshiba JSW Turbine & Generator Pvt Limited	44.00	22.00
d) 44,11,000 (Previous Year 11,000) Equity Shares of Rs. 10 each fully paid up of MJSJ Coal Limited	4.41	0.01
e) 12,50,000 Equity Shares of Rs. 10 each fully paid up of Power Exchange India Limited	1.25	-
(iii)	53.42	25.77

— Schedules Forming Part of the Balance Sheet as at 31st March 2010 —

Rupees in crores

			As at 31.03.2010	As at 31.03.2009
SCHEDULE 'F' - INVESTMENTS (Contd.)				
B. Current Investments (Unquoted, Non-traded)				
Mutual Funds *	No. of Units	Face Value (Rs.)		
IDFC Mutual Fund				
IDFC Money Manager - Invest Plan B	70,356,373	10	100.82	—
Birla Sun Life Mutual Fund				
BSL Interval Income Fund - Growth	43,083,326	10	50.32	—
BSL Short Term Opportunities - Growth	96,191,629	10	100.62	—
Ultra Short Term Fund - IP - Growth	116,093,937	10	127.02	—
ICICI Prudential Mutual Fund				
Ultra Short Term Plan - Growth	85,702,839	10	88.56	—
Banking & PSU Debt Fund - Growth	99,606,792	10	100.67	—
Short Term IP Growth	51,809,642	10	100.18	—
UTI Mutual Fund				
Short Term Income Fund - Growth	63,687,461	10	100.14	—
Religare Mutual Fund				
Credit Opportunity - Growth	34,745,063	10	35.87	—
LIC Mutual Fund				
Income Plus - Growth	58,150,094	10	71.90	—
Saving Plus - Growth	148,506,901	10	217.37	—
Floating Rate Fund - Growth	73,219,557	10	110.72	—
L&T Mutual Fund				
Select Income Flexi Debt IP Growth	24,547,774	10	25.13	—
		(iv)	1,229.32	—
		Total (i+ii+iii+iv)	4,310.41	1,939.94
*Includes Rs. 738.00 crores (Previous Year Nil) pending utilisation of Proceeds from Initial Public Offer				
			3,081.09	1,939.94
			1,229.32	—

Rupees in crores

			As at 31.03.2010	As at 31.03.2009
SCHEDULE 'G' - INVENTORIES				
(As taken, valued and certified by the Management)				
Stock of fuel			226.10	7.30
Stores & Spares			30.65	24.97
(including in transit Rs. 53.07 crores; Previous Year Rs. 0.60 crores)				
			256.75	32.27
SCHEDULE 'H' - SUNDRY DEBTORS				
Unsecured, considered good				
Outstanding for a period exceeding six months (Refer Note 4 in Schedule 'P')			5.35	5.35
Outstanding for a period not exceeding six months			262.50	106.10
			267.85	111.45
Note: Amount due from JSW Steel Limited (a company under the same management)			151.23	87.53
As at the end of the year Maximum Amount Outstanding at any point during the year			247.58	87.53

Schedules Forming Part of the Balance Sheet as at 31st March 2010

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'I' - CASH AND BANK BALANCES		
Cash in hand	0.01	0.02
Balance with Scheduled Banks:		
a) In Current Accounts*#	34.14	2.40
b) In Deposits #	478.61	4.00
c) In Margin Money Accounts (for issue of Bank Guarantees)	28.25	20.00
# Includes Rs. 473.21 crores (Previous Year Nil) being unutilised proceeds from Initial Public Offer		
* Includes unclaimed Share Application Money Refund Account balance of Rs. 0.15 crores (Previous Year Nil)		
	541.01	26.42
SCHEDULE 'J' - LOANS AND ADVANCES		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	57.13	62.62
Due from Subsidiary Companies	6.46	-
Advance against Preference Share Capital - JSW Realty & Infrastructure Pvt Ltd.,	0.77	-
Advance against Equity Share Capital - Subsidiaries	95.24	14.39
Advance against Equity Share Capital - Associates	-	22.55
Deposits with Government / Semi Government Authorities	0.03	1.88
Advance Tax and tax deducted at source(Net of Provision of Rs. Nil; Previous Year Rs. 246.07 crores)	-	2.49
Minimum Alternative Tax credit entitlement	78.75	-
Sundry Deposits towards:		
- Lease of Office Property	97.70	36.50
- Others	16.98	9.64
	353.06	150.07
Note: Amount due from JSW Steel Limited (a company under the same management)	6.49	6.49
As at the end of the year Maximum Amount Outstanding at any point during the year	6.49	6.49
SCHEDULE 'K' - CURRENT LIABILITIES		
Acceptances (Buyers Credit)	188.56	-
Sundry Creditors *	267.34	146.57
Project related Creditors *	65.10	168.72
Unclaimed Share Application Money Refunds	0.15	-
Other Liabilities **	8.53	8.25
Interest accrued but not due on loans / debentures	3.26	7.08
* Refer Note 7 in Schedule 'P' for dues to Micro, Small and Medium Enterprises		
** No amount due to be credited to Investor Education and Protection Fund		
	532.94	330.62
SCHEDULE 'L' - PROVISIONS		
For Leave Entitlement	3.06	2.46
For Gratuity	1.69	1.32
For Taxation (Net of Advance tax of Rs.410.01; Previous Year Rs. Nil)	0.88	-
For Proposed Dividend	123.00	-
For Dividend Distribution Tax	20.43	-
	149.06	3.78

— Schedules Forming Part of the Profit and Loss Account —
for the year ended 31st March 2010

	Rupees in crores	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
SCHEDULE 'M' - OTHER INCOME		
Interest Income (TDS Rs 0.27 crores; Previous Year Rs. 0.60 crores)	3.71	2.74
Exchange Difference (Net)	16.98	—
Profit on sale of Current Investments	26.92	—
Miscellaneous Income	20.55	0.20
	68.16	2.94
SCHEDULE 'N' - OPERATION, MAINTENANCE AND OTHER EXPENSES		
Payment to & Provision for Employees:		
a) Salaries & Wages	55.03	38.06
b) Contribution to Provident & Other Funds	2.20	1.42
c) Staff & Labour Welfare Expenses	3.27	2.59
Water	12.73	2.21
Rent	0.23	0.84
Rates and Taxes	3.36	4.77
Insurance	8.82	0.99
Consumption of Stores & Spares	8.79	7.23
Repairs and Maintenance expenses:		
Building	0.63	0.27
Plant & Machinery	13.96	7.86
Others	0.74	0.37
Legal & Professional Expenses	2.78	5.52
Merger expenses	—	5.85
Postage & Telephone	0.40	0.34
Printing & Stationery	0.45	0.33
Travelling and Conveyance	6.35	4.94
Loss on Sale of Fixed Assets	0.12	0.21
Cash Discount	26.49	18.13
General Expenses	6.16	5.17
Exchange Difference (Net)	—	0.04
Project Management Expenses other than Employees cost	5.65	19.51
	158.16	126.65
SCHEDULE 'O' - INTEREST AND FINANCE CHARGES		
Interest on:		
Debentures & Fixed Loans	241.71	112.72
Working Capital Loan	3.12	0.82
Others	2.06	0.51
Finance Charges	15.41	6.23
	262.30	120.28

— Schedules forming part of the Accounts as at 31st March, 2010 —

Schedule 'P'

Significant Accounting Policies and Notes to Accounts:

1. Significant Accounting Policies

(a) General

- i. The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
- ii. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- iii. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
- iv. The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

(b) Revenue Recognition

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- i. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.
- ii. Revenue from construction / project related activity:
Revenue from construction contract is recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract are provided irrespective of the stage of completion of the contract activity. The stage of completion of the contract is determined considering the nature of the contract, technical evaluation of work completed / measurement of physical progress and proportion of the cost incurred to the estimated total cost.
Contracts cost comprise all cost that relate directly to the specified contract, incidental cost attributable to the contract including allocated overheads and warranty cost.
- iii. Operator fees and other income are accounted on accrual basis as and when the right to receive arises.

(c) Fixed Assets

Fixed Assets are stated at cost of acquisition and any cost attributable for bringing the asset to its working condition for its intended use.

Expenditure incurred during Construction Period

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress". The same is allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets

(d) Depreciation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

The Company capitalises software where it is reasonably estimated that the software has an enduring useful life Software is depreciated over an estimated useful life of 3 years.

(e) Impairment of assets

In accordance with AS-28 'Impairment of assets' prescribed by the Companies (Accounting Standards) Rules, 2006, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the profit and loss account whenever the carrying amounts of such assets exceed its recoverable amount.

(f) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, are capitalized as part of the cost of such assets up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs shall cease when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are expensed as and when they are incurred.

(g) Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any Investments, a provision for the same is made. Current Investments are valued at lower of cost or fair value.

(h) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of weighted average. Obsolete, defective and unserviceable stocks are duly provided for wherever applicable.

(i) Foreign Exchange Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency designated assets, liabilities and capital commitments are stated at the year end rates.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognized in the period in which they arise and the premium paid is accounted as expense over the period of the contract.

Exchange difference relating to long term monetary items, so far as they relate to asset acquisition, are capitalized and added to / deducted from the cost of the asset. All other exchange differences are dealt with in the Profit & Loss account.

(j) Employee benefits

Retirement benefits in the form of Provident Fund and Family pension Scheme are defined contribution schemes 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 other obligations other than the contribution payable to the respective trusts.

Stock Based Compensation - The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(k) Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(l) Provisions and Contingent Liabilities

Provisions are recognised based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date when

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

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.
- a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the enterprise.

2. Contingent Liabilities not provided for in respect of:

(Rs. crores)

Particulars	Current Year	Previous Year
Bank Guarantees Outstanding	315.49	104.38
Pledge of Securities (Refer Schedule F)	723.69	620.99
Income Tax matters (excluding interest, if any)	7.21	6.23

3. (i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 1.10 crores (Previous Year Rs. 93.16 crores).
- (ii) The Company has given unconditional undertakings to the lenders of the power projects being setup by its subsidiary companies JSW Energy (Ratnagiri) Ltd., Raj WestPower Ltd. and Jaigad PowerTransco Ltd. for meeting any shortfall in completing the project, due to cost overrun, if any.
4. The Company was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt. of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July 2002 reducing the tariff retrospectively from 1st August 2000. The Company's appeal against the said Order was decided by the Karnataka High Court vide its Order dated 8th April, 2004 in favour of the Company. KPTCL and KERC filed Special Leave Petition before the Honourable Supreme Court challenging the Order of Karnataka High Court. As against the outstanding amount of Rs. 105.35 crores, in terms of the interim order dated 23rd January 2007 of Supreme Court, KPTCL paid Rs.100.00 crores against bank guarantee provided by the Company. The balance amount of Rs. 5.35 crores due from KPTCL is included in Sundry Debtors and considered as good and recoverable.
5. The Initial Public Offer (IPO) proceeds have been utilised for the objects of the issue stated in the Prospectus dated 17th December, 2009 ('Prospectus') as under:

Sl. Particulars	Rs. Crores	Rs. Crores
A. Gross Proceeds Received from IPO		2,700.00
B. Utilisation upto 31st March, 2010	To be utilised as per Prospectus	Amount utilised upto 31st March 2010
i. To part finance construction and development of identified projects aggregating to 2790 MW capacity; 400 KV Transmission project and Mining Venture	2,142.53	924.24
ii. Repayment of Corporate Debt	470.00	470.00
iii. Share Issue Expenses	75.98	37.55
iv. General Corporate Purpose	11.49	–
Total	2,700.00	1,431.79
Break up of unutilised amount:		
Investment in Mutual Fund Units (Refer Schedule F)		738.00
Bank Fixed Deposits (Refer Schedule I)		469.00
Balance in current account (Refer Schedule I)		4.21
Reduction of overdraft		57.00
Total		1,268.21

6. Employees Benefits:

- (i) Defined benefit plans – as per actuarial valuations as on 31/03/2010:
Details of Gratuity plan are as follows:

(Rupees in crores)

Description	As on 31.03.2010	As on 31.03.2009
1. Reconciliation of opening and closing balances of obligation		
a. Opening Balance	1.32	0.87
b. Current Service Cost	0.40	0.43
c. Interest Cost	0.10	0.06
d. Actuarial (gain)/loss	(0.00)	(0.01)
e. Benefits paid	(0.13)	(0.03)
f. Closing Balance	1.69	1.32
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Opening Fair Value of plan assets	1.05	0.65
b. Actual Company Contributions	0.52	0.22
c. Expected return on plan assets	0.11	0.06
d. Actuarial (Gain)/loss	0.01	0.15
e. Benefits paid	(0.13)	(0.03)
f. Closing Fair Value of plan assets	1.56	1.05

Description	As on 31.03.2010	As on 31.03.2009
3. Reconciliation of fair value of assets and obligations		
a. Present value of obligation	1.69	1.32
b. Fair value of plan assets	1.56	1.05
c. Balance amount recognised as liability in the Balance sheet	0.13	0.27
4. Expense recognized in the period		
a. Current service cost	0.40	0.43
b. Interest cost	0.10	0.06
c. Expected return on plan assets	(0.11)	(0.06)
d. Actuarial (gain)/loss	(0.00)	(0.01)
e. Expense recognised	0.39	0.42
5. Assumptions		
a. Discount rate (per annum)	8%	7%
b. Estimated rate of return on plan assets (per annum)	8.50%	8%
c. Rate of escalation in salary (per annum)	5%	5%
6. Investment Details		
Amount invested in cash accumulation scheme of Life Insurance Corporation of India		

(ii) Employee Share based Payment Plans:

- a. During the year ended 31st March, 2010, the Company has three share-based payments arrangements, which are described below:

Particulars	Scheme 1 (General Manager & Above)	Scheme 2 (Junior Manager to General Manager)	Scheme 3 (Associate Vice President & Above)
Date of grant	December 19, 2007	December 19, 2007	December 19, 2007
Number of shares granted *	7,349	19,199	35,231
Vesting Period	3 years service	3 years service	3 years service
Method of settlement	Cash	Cash	Cash
Exercise Price	600	800	900

- b. Expenses arising from employee's share-based payment plans debited to P & L Account Rs. 0.73 crores (Previous Year Rs. 0.73 crores).

* Includes 4,349 shares granted to managing director / whole-time directors and non-executive directors.

7. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
8. (i) Capital Advance include Rs. 75 crores (Previous Year Rs. 75 crores) paid towards acquisition of offices / residential property to be constructed.
- (ii) Loans and Advance include (a) Rs. 83.70 crores (Previous Year Rs. 22.50 crores) paid to JSWPTC as security deposit for lease of office property (b) Rs. 5.80 crores (Previous Year Rs. 5.91 crores) paid as interest free loan to JSW Energy Employees Welfare Trust.

9. Managerial Remuneration

A. Managerial Remuneration to Directors:

Managerial Remuneration under Section 198 of the Companies Act, 1956 paid or payable to Directors is as under

(Rupees in crores)

	Current Year	Previous Year
Salaries	6.06	1.82
Monetary value of Perquisites	0.46	0.15
Contribution to Provident Fund	0.41	0.14
Sitting fees to Directors	0.09	0.12
Commission to Non-Executive Directors	0.14	0.42
Total	7.16	2.65

Note:

The above figures exclude provision for leave entitlement and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole.

B. Computation of Net Profit in accordance with Section 349 read with Section 309(5) of the Companies Act, 1956:

(Rupees in crores)

	Current Year	Previous Year
Profit Before Tax	969.41	667.18
Add: Managerial Remuneration (including commission)	7.16	2.65
Loss on sale of Fixed Assets	0.12	0.21
Net Profit as per Section 349 read with Section 309(5)	976.69	670.04
Commission to Directors	0.14	0.42

10. Remuneration to Auditors (excluding service tax):

(Rupees in crores)

	Current Year	Previous Year
Audit fees	0.15	0.14
Tax audit	0.02	0.02
Other services	0.61	0.02
Out of pocket expenses	0.02	–
Total	0.80	0.18

11. Provision for Taxation includes:

(Rupees in crores)

	Current Year	Previous Year
Current Tax	164.75	75.66
Deferred Tax	36.68	13.02
Wealth Tax	0.06	0.08
Fringe Benefit Tax	–	0.34
Minimum Alternate Tax (MAT) credit entitlement	(78.75)	–
Total	122.74	89.10

12. Deferred Tax Liability consists of timing differences due to depreciation: Rs.118.19 crores (Previous Year Rs. 81.51 crores)

13. Earnings Per Share (Basic & Diluted)

Particulars	Units	Current Year	Previous Year
Net Profit as attributable to equity shareholders (A)	Rs. crores	846.67	578.08
Weighted Average number of equity shares outstanding during the year	Nos.	624,634,529	546,571,277
Add: Bonus shares issued in current year	Nos.	819,856,914	819,856,914
Total Weighted Average number of equity shares outstanding during the year (B)	Nos.	1,444,491,443	1,366,428,191
Earnings Per Share (Basic & Diluted) (A/B)	Rs.	5.86	4.23
Nominal Value of an equity share	Rs.	10.00	10.00

14. The foreign currency exposures that:

(i) have not been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:

Particulars	Foreign currency equivalent (EURO)	Foreign currency equivalent (USD)	In Rupees equivalent (Rs. crores)
a) Capital Advances (Previous Year)	– (288,200)	– (576.62)	– (1.95)
b) Pending Capital Commitments (Previous Year)	– (288,200)	– (2,300)	– (1.96)
c) Secured Loan (Previous Year)	– (–)	4,037,213 (9,420,163)	18.22 (47.99)
d) Project related Creditors (Previous Year)	– (–)	8,103,428 (23,258,153)	36.58 (118.50)
e) Buyer's Credit (Previous Year)	– (–)	41,772,031 (–)	188.56 (–)
f) Interest accrued but not due on Buyer's Credit (Previous Year)	– (–)	107,145 (–)	0.48 (–)

(ii) have been hedged by a derivative instrument or otherwise as at Balance Sheet date are Nil.

15. (i) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.
- (ii) The Company is yet to receive balance confirmations in respect of certain sundry creditors and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.
16. There are no reportable segments as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.
17. Toshiba JSW Turbine & Generator Private Limited and MJSJ Coal Limited have not been considered for disclosure of interest in accordance with relevant Accounting Standards as the Company is not having any control over said joint venture entities.
18. Details of Units of Mutual Fund purchased and sold during the year:

Name of the Scheme	No. of Units
IDFC Mutual Fund (Face Value of Rs. 10 each)	
Cash Fund Super IP-C-Growth	247,844,701
Money Manager-Treasury Plan Super IP	162,128,965
IDFC Money Manager - Invest Plan - Plan B - Growth	70,356,172
IDFC Money Manager - Invest Plan - Plan B - Dividend	100,416,604
Birla Sun Life Mutual Fund (Face Value of Rs. 10 each)	
Cash Plus Inst. Prem. Growth	189,117,966
Saving Fund Inst. Growth	86,803,620
BSL Interval Income Fund - Growth	86,167,308
BSL Interval Income Fund - Dividend	99,999,932
BSL Short Term Opportunities - Growth	192,384,582
BSL Short Term Opportunities - Dividend	200,790,533
ICICI Prudential Mutual Fund	
Liquid Plan Super IP Growth (Face Value of Rs. 100 each)	68,358,753
Flexible Income Plan Prem. Growth (Face Value of Rs. 100 each)	14,472,133
Floating Rate Plan D (Face Value of Rs. 100 each)	9,272,078
Ultra Short Term Plan – Growth (Face Value of Rs. 10 each)	683,211,021
Ultra Short Term Plan – Dividend (Face Value of Rs. 10 each)	88,222,305
Banking & PSU Debt Fund – Growth (Face Value of Rs. 10 each)	199,212,211
Banking & PSU Debt Fund – Dividend (Face Value of Rs. 10 each)	200,720,272
Short Term IP Growth (Face Value of Rs. 10 each)	51,729,311
Short Term IP Dividend (Face Value of Rs. 10 each)	83,472,601
Kotak Mutual Fund (Face Value of Rs. 10 each)	
Liquid Institutional Premium Growth	120,103,429
Flexi Debt	175,804,377
Floater Long Term	17,313,643
DWS Mutual Fund (Face Value of Rs. 10 each)	
DWS Insta Cash Plus Fund	148,000,843
DWS Insta Cash Plus Fund - Super Inst. Plan Growth	163,479,097
DWS Ultra Short Term Fund	42,722,993
HDFC Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund Premium Plan	97,948,880
Cash Management Fund Treasury Advantage	89,690,545
Reliance Mutual Fund	
Liquidity Fund Growth (Face Value of Rs. 10 each)	241,815,262
Medium Term Fund Retail Plan Growth (Face Value of Rs. 10 each)	79,499,682
Money Manager Fund Inst. Growth (Face Value of Rs. 1,000 each)	1,209,079

Name of the Scheme	No. of Units
JP Morgan Mutual Fund (Face Value of Rs. 10 each)	
Liquidity Fund Super Inst. Growth	84,859,388
Treasury Fund Super Inst. Growth	84,291,499
Baroda Pioneer Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund Inst. Growth	120,455,872
Treasury Advantage Fund Inst. Growth	97,527,507
JM Financial Mutual Fund	
Liquid Fund Inst. Growth (Face Value of Rs. 1,000 each)	189,647,106
Money Manager Fund Super Plus (Face Value of Rs. 10 each)	194,757,899
Franklin Templeton Mutual Fund (Face Value of Rs. 10 each)	
Templeton India TMA Liquid Plan	1,081,408
Templeton India Ultra Short Term Bond Fund	40,903,024
Templeton Floating Rate Fund	78,980,356
Tata Mutual Fund (Face Value of Rs. 1,000 each)	
Liquid Super High Invt. Fund Appreciation	148,696
Treasury Manager SHIP Growth	241,648
UTI Mutual Fund	
Liquid Cash Plan Inst. Growth (Face Value of Rs. 1,000 each)	2,331,810
Treasury Advantage Fund Inst. Growth (Face Value of Rs. 1,000 each)	2,044,184
Short Term Income Fund - Growth (Face Value of Rs. 10 each)	63,687,414
Short Term Income Fund - Dividend (Face Value of Rs. 10 each)	84,194,251
Religare Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund Super IP - Growth	119,318,101
Credit Opportunity - Growth	146,263,388
Credit Opportunity - Dividend	55,554,693
LIC Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund - Growth	706,971,759
Liquid Fund - Growth	417,881,188
Income Plus - Growth	71,863,001
Income Plus - Dividend	248,204,735
Saving Plus - Growth	2,222,590
Saving Plus - Dividend	164,505,021
Floating Rate Fund - Growth	109,082,389
Floating Rate Fund - Dividend	19,851,668
L&T Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund - Growth	24,547,471
Select Income Flexi Debt IP Growth	24,983,095

19. The company has taken certain premises on cancelable Operating lease arrangement with JSW Steel Ltd. Major terms of the agreement are as under:
- Annual lease rent : Rs. 15,000 (Previous Year Rs. 15,000)
 - Tenure of lease: lease agreement valid till 31st March 2033.
 - Lease Deposit: Rs. 6.49 crores (Previous Year Rs. 6.49 crores)

20. Related Party Transactions

A. List of Related Parties

I. Subsidiaries (Control exists)

- JSW Power Trading Company Limited
- Raj WestPower Limited
- JSW Energy (Ratnagiri) Limited
- PT. Param Utama Jaya, Indonesia
- Jaigad Power Transco Limited
- JSW Energy (Raigarh) Limited From August 31, 2009
- JSW Energy (Bengal) Limited From March 10, 2010

II. Associates / Parties with whom the Company has entered into transactions during the year/ period:

- JSW Steel Limited
- JSW Energy Overseas Limited, Dubai
- JSoft Solutions Limited
- Windsor Residency Private Limited
- Toshiba JSW Turbine & Generator Private Limited
- MJSJ Coal Limited
- JSW Energy Investment Pvt. Ltd.
- JSW Cement Ltd.
- Gagan Trading Company Limited
- JSW Realty Infrastructure Pvt. Ltd.

III. Key Managerial Personnel

- Mr. Sajjan Jindal – Chairman & Managing Director
- Mr. N.K. Jain – Vice Chairman (From January 21, 2010)
- Mr. S.S. Rao - Jt. Managing Director & CEO

(Rupees in crores)

Nature of transactions	Current Year	Previous Year
A. Transactions during the year		
1. Sale of power & Goods		
JSW Steel Limited	532.79	92.39
JSW Power Trading Co. Limited	1,818.30	884.30
JSW Cement Limited	4.16	–
2. Service Rendered (excluding service tax):		
i. Operator fees from:		
JSW Steel Limited	18.68	17.87
Raj West Power Limited	6.00	–
ii. Project management fees (excluding service tax) from:		
JSW Energy (Ratnagiri) Limited	66.83	172.95
Raj WestPower Limited	54.00	166.55
iii. Business Support Fee from Toshiba JSW Turbine & Generator Pvt. Ltd.	8.56	–
3. Purchase of Fuel / Goods		
JSW Steel Limited	716.25	611.21
4. Rebate on Sale of Power		
JSW Power Trading Co. Limited	26.49	18.13
5. Service Received from		
JSW Steel Limited (Coal handling)	13.69	–
JSoft Solutions Limited (ERP)	3.79	1.78

Nature of transactions	Current Year	Previous Year
6. Rent Paid		
JSW Steel Limited	–	0.65
Gagan Trading Company Limited	0.01	0.01
JSW Realty Infrastructure Pvt. Ltd.	0.07	0.02
7. Trade Advance Received and paid		
JSW Steel Limited	110.00	30.00
JSW Realty Infrastructure Pvt. Ltd.	–	30.00
8. Security Deposit paid for lease of office property / houses		
JSW Power Trading Co. Limited	61.20	–
JSW Realty Infrastructure Pvt. Ltd.	4.00	3.00
9. Advance paid against Preference Share Capital:		
JSW Realty Infrastructure Pvt. Ltd.	0.78	–
10. Advance paid against Equity Share Capital:		
JSW Energy (Ratnagiri) Limited	12.00	–
Raj WestPower Limited	60.35	–
Jaigad Power Transco Limited	–	14.39
Toshiba JSW Turbine & Generator Pvt. Ltd.	–	22.00
MJSJ Coal Limited	–	0.55
JSW Energy (Bengal) Limited	8.50	–
11. Reimbursement of O & M expenses due to RWPL	3.14	–
12. Reimbursement of Grid support charges from JSWSL paid to KPTCL	2.64	2.52
13. Reimbursement of expenses due from JSW Energy (Raigarh) Limited	7.95	–
14. Reimbursement of expenses due from JSW Energy (Bengal) Limited	0.02	–
15. Investment in Equity Share Capital		
JSW Energy (Ratnagiri) Limited	530.07	133.50
Raj WestPower Limited	556.90	388.64
Jaigad Power Transco Limited	–	43.31
JSW Energy (Raigarh) Limited	19.49	–
Toshiba JSW Turbine & Generator Pvt. Ltd.	22.00	22.00
MJSJ Coal Limited	4.40	0.01
JSW Energy (Bengal) Limited	0.04	–
16. Investment in Preference Share Capital		
JSW Power Trading Co. Limited	7.00	125.00
JSW Realty Infrastructure Pvt. Ltd.	–	3.76
17. Security & Collateral Provided to		
JSW Energy (Ratnagiri) Limited	59.96	70.63
Raj WestPower Limited	12.90	320.85
Jaigad Power Transco Limited	29.85	–
B. Closing Balances		
1. Trade Payables / (Receivable)		
JSW Steel Limited – Payable for fuel & water supplies	220.71	109.08
– Receivable for sale of power & operator fees	(151.23)	(108.18)
Net balance	<u>69.48</u>	<u>0.90</u>
JSW Power Trading Co. Limited	(91.52)	(12.37)
RajWest Power Limited	(2.64)	(4.10)
JSW Energy (Ratnagiri) Limited	(0.68)	–
JSW Energy Investment Pvt. Ltd.	(1.03)	(1.03)
Jaigad Power Transco Limited	–	0.03
Toshiba JSW Turbine & Generator Pvt. Ltd.	(2.48)	–
JSW Energy (Raigarh) Limited	(5.76)	–
MJSJ Coal Limited	(0.06)	(0.06)
JSW Energy (Bengal) Limited	(0.02)	–
JSW Cement Limited	(4.16)	–

Nature of transactions	Current Year	Previous Year
2. Deposit With		
JSW Steel Limited for houses at Vijayanagar	6.49	6.49
JSW Power Trading Co. Ltd. for Office Property	83.70	22.50
Gagan Trading Company Limited	14.00	14.00
JSW Realty Infrastructure Pvt. Ltd.	7.00	3.00
3. Lease Deposit from		
JSW Steel Limited for land	0.16	0.16
4. Trade Advance paid		
JSW Realty Infrastructure Pvt. Ltd.	30.00	30.00
5. Advance paid against Preference Share Capital		
JSW Realty Infrastructure Pvt. Ltd.	0.78	–
6. Advance paid against Equity Share Capital		
JSW Energy (Ratnagiri) Limited	12.00	–
Raj WestPower Limited	60.35	–
MJSJ Coal Limited	–	0.55
Jaigad Power Transco Limited	14.39	14.39
Toshiba JSW Turbine & Generator Pvt. Ltd.	–	22.00
JSW Energy (Bengal) Limited	8.50	–
7. Advance paid for Acquisition of Office/Residential Properties		
Windsor Residency Private Limited	75.00	75.00
8. Investment in Equity Share Capital		
JSW Power Trading Co. Limited	70.02	70.02
JSW Energy (Ratnagiri) Limited	1,118.57	588.50
Raj WestPower Limited	1,626.40	1,069.50
PT. Param Utama Jaya	17.84	17.84
Jaigad Power Transco Limited	43.31	43.31
Toshiba JSW Turbine & Generator Pvt. Ltd.	44.00	22.00
JSW Energy (Raigarh) Limited	19.49	–
MJSJ Coal Limited	4.41	0.01
JSW Energy (Bengal) Limited	0.04	–
9. Investment in Preference Share Capital		
JSW Power Trading Co. Limited	132.00	125.00
JSW Realty Infrastructure Pvt. Ltd.	3.76	3.76
10. Security & Collateral Provided for		
JSW Energy (Ratnagiri) Limited	360.09	300.13
Raj WestPower Limited	333.75	320.85
Jaigad Power Transco Limited	29.85	–
C. Remuneration to Key Management Personnel:		
Mr. Sajjan Jindal	5.02	0.98
Mr. N.K. Jain	0.52	–
Mr. S.S. Rao	1.38	1.17

Notes:

- I. No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables.
- II. Related party relationships have been identified by the management and relied upon by the Auditors.

21. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956:

	Units	Current Year		Previous Year	
		Quantity	Rs. crores	Quantity	Rs. crores
(a) Licensed and Installed Capacity-Power (as certified by the management, being a technical matter)	MW	860		260	
(b) Generation & Sale of Power*:					
Generation of Power (Gross)	MU	5,426.44		2,229.33	
Self Consumption	MU	410.56		173.40	
Sale of Power	MU	5,015.88	2,227.36	2,055.93	1,233.67
* relates to Commercial Operations					
(c) C.I.F Value of Imports:					
Coal			489.20		13.36
Stores & Spares			0.33		0.69
Plant & Machinery			0.01		959.89
(d) Fuel consumed:					
Coal	MT	15,59,694	805.56	7,03,723	540.69
Corex Gas	GCAL	12,75,152	102.79	6,21,830	73.33
Others			18.48		6.22
Total			926.84		620.24
Imported #		87%	805.56	87%	540.69
Indigenous		13%	121.28	13%	79.55
#includes materials indigenously procured					
(e) Consumption of Stores & Spares:			8.79		7.23
Imported		4%	0.33	10%	0.69
Indigenous		96%	8.46	90%	6.54
(f) Expenditure in Foreign Currency (on payment basis):					
Travelling Expenses			0.27		0.24
Legal & Professional Charges			–		27.32
Interest & Finance Charges			1.98		–

Note:

The commercial operations of the two units of 2 X 300 Power Plant (SBU II) at Toranagallu commenced from 1st July 2009 (300 MW) & 1st September 2009 (300 MW) respectively, hence, the current year figures are not comparable with the previous year.

22. Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

Signatures to Schedules A to P
For and on behalf of the Board of Directors

N.K. Jain
Vice Chairman

Sajjan Jindal
Chairman & Managing Director

Place: Mumbai
Date: 27th April 2010

Sampath Madhavan
Company Secretary

Pramod Menon
Chief Financial Officer

S.S. Rao
Jt. Managing Director & CEO

— Balance Sheet Abstract and Company's General Business profile —

I. Registration Details	
Registration No.	11-77041
State Code No.	011
Balance Sheet date	31.03.2010
	Rs. '000
II. Capital raised during the year (includes Rs. 819.86 crores towards issue of Bonus shares)	35,828,569
III. Position of mobilisation and deployment of funds	
Total Liabilities	82,719,903
Total Assets	82,719,903
Sources of Funds	
Paid-up Capital	16,400,548
Reserves & Surplus	37,265,676
Secured Loans	20,051,746
Unsecured Loans	1,000,000
Deferred Tax Liability	1,181,862
Application of Funds	
Net Fixed Assets	24,386,301
Investments	43,104,057
Net Current Assets	8,409,474
Miscellaneous Expenditure	Nil
IV. Performance of the Company	
Turnover (including other income)	24,410,251
Total Expenditure	14,716,247
Profit/(Loss) before tax	9,694,004
Profit/(Loss) after tax	8,466,611
Earnings per share in Rs.	5.86
Dividend Rate %	7.5
V. Generic Name of principal product of the Company (as per monetary terms)	
Item Code No.	27.16
Product Description	Electrical Energy

For and on behalf of the Board of Directors

N.K. Jain
Vice Chairman

Sajjan Jindal
Chairman & Managing Director

Place: Mumbai
Date: 27th April, 2010

Sampath Madhavan
Company Secretary

Pramod Menon
Chief Financial Officer

S.S. Rao
Jt. Managing Director & CEO

Statement pursuant to Section 212 of the Companies Act, 1956, Relating to Subsidiary Companies:

	JSW Power Trading Company Limited (In INR)	Raj WestPower Limited (In INR)	JSW Energy (Ratnagiri) Limited (In INR)	Jaigad PowerTransco Limited (In INR)	PT Param Utama Jaya (In Rupiah)	JSW Energy (Raigarh) Limited (In INR)	JSW Energy (Bengal) Limited (In INR)
The Financial Year Ending of the Subsidiary Companies	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st March 2010
Shares of the Subsidiary Company held by JSW Energy Limited:							
(a) Number & Face Value	7,00,00,000* Equity shares of Rs. 10 each fully paid up	162,64,00,000* Equity shares of Rs. 10 each fully paid up	111,85,70,600* Equity shares of Rs. 10 each fully paid up	43311830* Equity shares of Rs. 10 each fully paid up	1500** Equity shares of Rp. 10,00,000 each fully paid up	1,94,89,300* Equity shares of Rs. 10 each fully paid up	37,000* Equity shares of Rs. 10 each fully paid up
(b) Extent of holding	100%	100%	100%	74%	100%	100%	74%
The net aggregate of Profits /(Loss) of the Subsidiary Companies so far as it concerns the members of Company:							
(a) Not dealt with in the accounts of the Company (in Rs.)							
i) for the subsidiary's financial year ended 31.03.2010	2,64,84,890	(26,26,14,020)	Nil	Nil	(19,19,05,478)	Nil	Nil
ii) for the previous financial years of subsidiary since it became a subsidiary	11,29,50,997	Nil	Nil	Nil	(39,60,53,127)	Nil	Nil
(b) Dealt with in the accounts of the company							
i) for the subsidiary's financial year ended 31.03.2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) for the previous financial years of subsidiary since it became a subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Note: Certain Equity Shares are registered in the name of nominees of JSW Energy Limited, to comply with the statutory requirement of having seven members, in terms of Section 12(1) of the Companies Act, 1956.

** Note: 1 equity share shall be registered in the name of JSW Power Trading Company Limited, as nominee of JSW Energy Limited.

For and on behalf of the Board of Directors

N.K. Jain
Vice Chairman

Sajjan Jindal
Chairman and Managing Director

Place: Mumbai
Date: 27th April, 2010

Sampath Madhavan
Company Secretary

Pramod Menon
Chief Financial Officer

S.S. Rao
Jt. Managing Director & CEO

Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies
(Rs. In Lakhs)

Particulars	JSW Energy (Ratnagiri) Limited	Raj WestPower Limited	JSW Power Trading Company Limited	Jaigad PowerTransco Limited	JSW Energy (Raigarh) Limited	JSW Energy (Bengal) Limited	PT Param Utama Jaya
Capital (Including Share Application Money)	1,13,057.06	1,68,674.93	20,200.00	7,291.77	1,948.93	855.00	74.43
Reserve & Surplus (Net of Misc. Exp.)	-	(2,626.14)	1,394.36	-	-	-	(29.18)
Total Assets	4,09,697.19	5,32,574.73	32,765.72	44,106.49	2,528.08	856.91	48.94
Total Liabilities	2,96,640.13	3,67,506.08	26,341.59	36,814.72	579.15	1.91	3.69
Investment	-	980.14	15,170.23	-	-	-	-
Turnover	-	7,174.22	1,88,588.72	-	-	-	168.50
Profit before Taxation	-	(2,843.14)	443.32	-	-	-	(9.52)
Provision for Taxation	-	(217.00)	178.47	-	-	-	-
Profit after Taxation	-	(2,626.14)	264.85	-	-	-	(9.52)
Proposed Dividend	-	-	-	-	-	-	-
Reporting Currency	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Indonesian Rupiah (Rp.)

Note:

- 1) As required under para (iii) of the Approval Letter dated April 8, 2010 issued by Ministry of Company Affairs.
- 2) Converted at the closing exchange rate of 1 Indian Rupee = 201.52 Indonesian Rupiah.

For and on behalf of the Board of Directors

N.K. Jain Vice Chairman	Sajjan Jindal Chairman and Managing Director
Pramod Menon Chief Financial Officer	S.S. Rao Jt. Managing Director & CEO
Sampath Madhavan Company Secretary	

Place: Mumbai
Date: 27th April, 2010

———— Auditors' Report ————

To
The Board of Directors of JSW Energy Limited

1. We have audited the attached Consolidated Balance Sheet of JSW Energy Limited (the 'Parent Company') and its subsidiaries collectively referred to as 'the JSW Energy Group' as at March 31, 2010, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Parent Company's management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of 6 subsidiaries included in the consolidated financial statements, whose financial statements reflect the total assets of Rs. 10,389.95 crores as at March 31, 2010 and total revenue for the year ended March 31, 2010 of Rs. 1,959.88 crores. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Parent Company's management in accordance with the requirements of the Accounting Standards (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures", prescribed by Companies (Accounting Standards) Rules, 2006 as amended from time to time.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements read together para 3 above and Note No. 8 in Schedule 'P' "Significant Accounting Policies and Notes to Consolidated Accounts" regarding overdues of Rs.5.35 crores from Karnataka Power Transmission Corporation Limited, the matter in respect of which is pending in Supreme Court and other notes appearing elsewhere in the accounts, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of Consolidated Balance Sheet, of the state of affairs of the JSW Energy Group as at March 31, 2010;
 - (ii) in the case of Consolidated Profit and Loss account, of the profit of the JSW Energy Group for the year ended on that date; and
 - (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the JSW Energy Group for the year ended on that date.

For LODHA & CO.
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101
Firm Registration No: 301051E

Mumbai.
Date: April 27, 2010

Consolidated Balance Sheet as at 31st March, 2010

Rupees in crores

	Schedule	As at 31.03. 2010	As at 31.03.2009
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	A	1,640.05	546.57
Reserves & Surplus	B	3,140.14	933.08
2. Minority Interest		15.23	15.22
3. Loan Funds			
Secured Loans	C	7,769.56	5,926.58
Unsecured Loans	D	100.58	0.58
4. Deferred Tax Liability		116.10	81.46
Total		12,781.66	7,503.49
APPLICATION OF FUNDS			
1. Goodwill on consolidation		17.10	17.18
2. Fixed Assets			
a) Gross Block	E	3,666.79	1,151.89
b) Less: Depreciation		671.42	534.92
c) Net Block		2,995.37	616.97
d) Capital Work-In-Progress		8,602.58	7,925.10
		11,597.95	8,542.07
3. Investments	F	1,434.44	170.47
4. Current Assets, Loans & Advances			
a) Inventories	G	371.37	32.27
b) Sundry Debtors	H	271.39	136.89
c) Cash and Bank Balances	I	604.82	175.10
d) Loans and Advances	J	385.23	195.70
		1,632.81	539.96
Less: Current Liabilities & Provisions			
a) Liabilities	K	1,752.44	1,762.40
b) Provisions	L	148.20	3.79
		1,900.64	1,766.19
Net Current Assets		(267.83)	(1,226.23)
Total		12,781.66	7,503.49
Significant Accounting Policies and Notes to Accounts	P		
The above schedules form part of the Financial Statements			

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

R.P. Baradiya

Partner

Place: Mumbai

Date: 27th April, 2010

For and on behalf of the Board of Directors

N.K. Jain

Vice Chairman

Pramod Menon

Chief Financial Officer

Sajjan Jindal

Chairman and Managing Director

S.S. Rao

Jt. Managing Director & CEO

Consolidated Profit and Loss Account for the year ended 31st March, 2010

Rupees in crores

	Schedule	For the year ended 31.03.2010	For the year ended 31.03.02009
INCOME			
Income from operations:			
Sale of Power		2,316.16	1,239.37
Power Traded		20.25	577.78
Operator Fee		18.68	17.87
Other Income	M	74.17	17.14
Total		2,429.26	1,852.16
EXPENDITURE			
Cost of Fuel		982.88	620.24
Purchase of Power		20.16	574.44
Operation, Maintenance and Other expenses	N	133.13	108.49
Interest and Finance Charges	O	283.70	120.94
Depreciation		136.10	60.21
Preliminary Expenses Written Off		5.44	-
Total		1,561.41	1,484.32
Profit before Tax		867.85	367.84
Provision for Taxation (including Wealth Tax) - [Refer Note 17 in Schedule 'P']		122.36	91.15
Profit after Tax		745.49	276.69
Profit brought forward from earlier year		742.82	466.13
Profit available for appropriation		1,488.31	742.82
Appropriations:			
Dividend		123.00	-
Dividend Distribution Tax		20.43	-
Balance carried to Balance Sheet		1,344.88	742.82
Earnings per share of face value of Rs. 10 each (EPS) - Basic & Diluted		5.17	2.02
Significant Accounting Policies and Notes to Accounts	P		
The above schedules form part of the Financial Statements			

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

R.P. Baradiya

Partner

Place: Mumbai

Date: 27th April, 2010

Sampath Madhavan

Company Secretary

For and on behalf of the Board of Directors

N.K. Jain

Vice Chairman

Pramod Menon

Chief Financial Officer

Sajjan Jindal

Chairman and Managing Director

S.S. Rao

Jt. Managing Director & CEO

Consolidated Cash Flow Statement for the year ended 31st March, 2010

Rupees in crores

	For the year ended 31.03.2010		For the year ended 31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		867.85		367.84
Adjusted for:				
Depreciation	136.10		60.21	
Interest Income	(4.93)		(3.84)	
Dividend Income	(0.70)		(1.19)	
Amortisation of Employees Share payments	0.74		0.73	
Preliminary expenses / Share issue expenses	5.44		2.94	
Loss on Sale of Fixed Assets	0.13		0.21	
Foreign Exchange - (Gain)/ Loss	(8.94)		(0.08)	
Interest Expenditure	283.70		120.94	
		<u>411.54</u>		<u>179.92</u>
Operating profit before working capital changes		<u>1,279.39</u>		<u>547.76</u>
Adjustments for:				
Trade and Other Receivables	(134.50)		(67.59)	
Trade Payables including Advance received from customers	340.18		109.59	
Loans & Advances	(135.38)		(43.70)	
Inventories	(339.10)		(2.22)	
		<u>(268.80)</u>		<u>(3.92)</u>
Cash generated from operations		<u>1,010.59</u>		<u>543.84</u>
Direct Taxes Paid (Net)		<u>(163.63)</u>		<u>(75.53)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>846.96</u>		<u>468.31</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets including CWIP & Pre-operative Expenses		<u>(3,572.68)</u>		<u>(3,881.18)</u>
Interest Income		4.93		3.84
Dividend Income		0.70		1.19
Preliminary expenses incurred		(2.56)		-
Investments (including advance against share capital) in :				
Associates		(12.10)		(170.14)
Others		(0.77)		
Sale of Fixed Assets		0.17		0.30
NET CASH USED IN INVESTMENT ACTIVITIES		<u>(3,582.31)</u>		<u>(4,045.99)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital (net of share issue expenses of Rs. 37.55 crores)		2,725.45		49.53
Borrowings (Net)		1,942.97		3,654.49
Interest Paid		(282.28)		(121.73)
Dividend Paid		-		(120.45)
NET CASH USED IN FINANCING ACTIVITIES		<u>4,386.14</u>		<u>3,461.84</u>
NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)		1,650.79		(115.84)
CASH AND CASH EQUIVALENTS - OPENING BALANCE		155.10		270.94
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		1,805.89		155.10

Notes:

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3.
- Cash and cash equivalents exclude balance in margin money of Rs. 28.25 crores (Previous Year Rs. 20.00 crores) and includes Rs. 1,229.32 crores (Previous year Nil) being investments in Mutual Funds.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha & Co.

Chartered Accountants

R.P. Baradiya

Partner

N.K. Jain

Vice Chairman

Sajjan Jindal

Chairman and Managing Director

Place: Mumbai

Date: 27th April, 2010

Sampath Madhavan

Company Secretary

Pramod Menon

Chief Financial Officer

S.S. Rao

Jt. Managing Director & CEO

Schedules forming part of the Consolidated Balance Sheet
as at 31st March, 2010

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A' - SHARE CAPITAL		
1. Authorised		
5,000,000,000 (Previous Year 1,501,000,000) Equity Shares of Rs.10 each	5,000.00	1,501.00
2. Issued, Subscribed & Paid Up		
1,640,054,795 (Previous Year 546,571,277) Equity Shares of Rs.10 each	1,640.05	546.57
The above includes :		
(a) 31,816,044 (Previous Year 31,816,044) Equity Shares of Rs. 10 each allotted to the shareholders of erstwhile JSW Energy (Vijayanagar) Ltd., pursuant to the Scheme of Amalgamation without payment being received in cash		
(b) 987,812,147 (Previous Year 167,955,233) Equity Shares of Rs.10 each issued as fully paid-up Bonus Shares by Capitalisation of Reserves & Surplus		
SCHEDULE 'B' - RESERVE AND SURPLUS		
1. Debenture Redemption Reserve		
As per last Balance Sheet	4.80	20.24
Less: Amount transferred to General Reserve on redemption of Debentures	-	15.44
	4.80	4.80
2. General Reserve		
As per last Balance Sheet	184.52	85.60
Add: As per the Scheme of Amalgamation	-	91.48
Amount transferred from Debenture Redemption Reserve Account	-	15.44
Less: Amount Capitalised for Bonus Shares issued	93.03	-
Less: Exchange Difference for previous year adjusted to cost of Fixed Assets	-	8.00
	91.49	184.52
3. Securities Premium Account		
As per last Balance Sheet	-	-
Add: Received towards issue of Equity Shares	2,489.37	-
Less: Share Issue Expenses (Refer Note 9 in Schedule 'P')	65.19	-
	2,424.18	-
4. Share Options Outstanding		
As per last Balance Sheet	0.94	0.21
Add: Additions during the year	0.73	0.73
	1.67	0.94
5. Exchange Fluctuation Reserve	(0.05)	(0.00)
6. Surplus as per Profit & Loss account	1,344.88	742.82
Less: Amount Capitalised for Bonus Shares issued	726.83	-
	618.05	742.82
	3,140.14	933.08

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C' - SECURED LOANS		
1. Debentures		
140 (Previous Year 140) 20% Secured Redeemable Non-Convertible Debentures of Rs.100 lacs each, redeemable at par in 44 quarterly instalments commenced from 15th July 2001	140.00	140.00
Less: Redeemed till date	126.70	120.80
	13.30	19.20
2. Rupee Term Loans		
a) Financial Institutions	1,719.71	982.74
b) Banks	6,018.27	4,847.00
3. Foreign Currency Term Loans from a Financial Institution	18.22	48.00
4. Working Capital Loan from Banks	0.06	29.64
	7,769.56	5,926.58
Note for Secured Loans:		
Terms of Redemptions:		
20% Secured Redeemable Non-Convertible Debentures of Rs. 100 lacs each, redeemable at par in 44 quarterly instalments commenced from 15th July, 2001.		
	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'D' - UNSECURED LOANS		
a) From a Bank (Short term)	100.00	-
b) From a Body Corporate	0.58	0.58
	100.58	0.58

SCHEDULE 'E' - FIXED ASSETS

Rupees in crores

Particulars	Gross Block				Depreciation / Amortisation / Impairment				Net Block	
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	Upto 31.03.2009	For the Year	Deductions/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
a) Tangibles										
Leasehold Land	7.36	0.09	-	7.45	-	-	-	-	7.45	7.36
Freehold Land	25.16	26.04	-	51.20	-	-	-	-	51.20	25.16
Buildings	21.03	86.30	-	107.33	3.76	1.27	-	5.03	102.30	17.27
Plant & Machinery	1,087.28	2,397.46	4.70	3,480.04	528.55	133.98	0.86	661.67	2,818.37	558.73
Furniture & Fittings	5.69	3.50	0.01	9.18	1.57	0.60	-	2.17	7.01	4.12
Motor Vehicles	3.59	2.73	0.36	5.96	0.52	0.41	0.07	0.86	5.10	3.07
Leasehold Improvements	1.05	0.02	-	1.07	0.34	0.39	-	0.73	0.34	0.71
b) Intangibles										
Specialised Softwares	0.41	3.82	-	4.23	0.08	0.66	-	0.74	3.49	0.33
Membership - Power Exchanges	0.33	-	-	0.33	0.11	0.11	-	0.22	0.11	0.22
TOTAL	1,151.89	2,519.96	5.07	3,666.79	534.92	137.42	0.93	671.42	2,995.37	616.97
Previous Year	1,122.39	30.75	1.25	1,151.89	474.22	61.22	0.52	534.92	616.97	

Notes:

- Plant & Machinery includes Gross Block Rs. 28.00 crores (Previous Year Rs. 28.00 crores); Net block Rs. 100 (Previous Year Rs. 2.80 crores) towards Company's share of Water Supply System constructed on land not owned by the Company, being written off over a period of 10 years from 1st April, 2000.
- Additions to/Deductions from Plant & Machinery for the period includes foreign exchange gain/(Loss) of Rs. 3.75 crores (Previous Year Rs. (5.05) crores).
- Leasehold Land includes Land acquired by the Company from JSW Steel Limited (JSWSL) under lease deed entitling the Company to exercise the option to purchase on an outright basis after 10 years from the date of lease at a price of Rs. One Lakh per acre. Company has paid security deposit Rs. One Lakh per acre and there will be no further consideration payable at the time of conversion of the same from leasehold to freehold. Thus, Company has shown the security deposit under the head of Leasehold Land.
- Out of total area of 827.98 acres of Freehold Land, Group has leased 1.18 acres of land to JSW Jaigad Port Limited for 99 years with an option to purchase the same after 10 years.
- Fixed Assets includes Borrowing Costs of Rs. 254.18 Crores (Previous Year Nil) capitalised during the year.

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'E' - FIXED ASSETS (Contd.)		
CAPITAL WORK-IN-PROGRESS AND PRE-OPERATIVE EXPENSES DURING CONSTRUCTION PERIOD AND TRIAL RUN PRODUCTION (PENDING ALLOCATION)		
PLANT & MACHINERY AND CIVIL WORKS		
Capital Advances	671.34	714.14
Plant and Machinery under implementation	8,655.71	5,874.19
Software under implementation	1.05	0.91
Civil Works	57.74	383.66
Rights under the Implementaion and Joint Venture Agreement	5.00	5.00
	<u>9,390.84</u>	<u>6,977.90</u>
Less: Amount Transferred to Fixed Assets	1,886.17	-
Sub Total (A)	7,504.67	6,977.90
PRE-OPERATIVE EXPENDITURE DURING CONSTRUCTION PERIOD & TRIAL RUN		
Opening Balance	947.20	314.83
Power and Fuel for testing	217.08	3.44
Employees Cost	3.61	-
Consumption of Stores & Spares	0.12	-
Water and Electricity	15.98	4.63
Rates and Taxes	3.90	3.97
Insurance	6.77	8.82
Rent	0.44	0.28
Legal and Professional Expenses	25.98	17.52
Project Management Expenses	57.20	145.46
Terminal Bay Construction Expenses	-	11.60
Repairs & Maintenance - Plant & Machinery	0.71	0.36
- Others	0.44	-
Travelling and Conveyance	4.64	3.62
Right of way expenses	8.06	-
General Expenses	23.04	16.57
Interest on Fixed Loans	596.52	359.20
Finance Charges	17.50	30.74
Exchange Loss	-	27.76
Depreciation	1.32	1.04
Income Tax	0.31	1.31
Fringe Benefit Tax	-	0.21
	<u>1,930.81</u>	<u>951.36</u>
Less:		
Revenue from Sale of Power	173.59	-
Interest Income (TDS Rs. 0.10 crores; Previous Year Rs. 0.22 crores)	0.83	2.26
Income from sale of Liquid Fund Units	0.18	-
Exchange Gain	66.48	-
Other Income	-	1.90
	<u>1,689.73</u>	<u>947.20</u>
Less: Amount Transferred to Fixed Assets	583.89	-
Less: Amount Transferred to Profit and Loss account	7.93	-
Sub Total (B)	1,097.91	947.20
Total (A+B)	8,602.58	7,925.10

			As at 31.03.2010	As at 31.03.2009
SCHEDULE 'F' - INVESTMENTS				
A. Long Term:				
i) Government Securities				
6-Year National Savings Certificate (Rs. 24,000; Previous Year Rs. 24,000) (Pledged with Commercial Tax Department)			—	—
ii) Trade & Quoted				
7,003,835 (Previous Year 6,845,000) fully paid equity shares of JSW Steel Limited			151.70	144.70
1) All investments are fully paid up.				
2) 850,000 (Previous Year 850,000) Shares are pledged as security in favour of bank for working capital facilities obtained by the Company.				
3) During the year, the Company has purchased 158,835 Equity Shares.				
iii) Non-trade and Unquoted				
a) 10 (Previous Year 10) Equity Shares of AED 100 each fully paid up of JSW Energy Overseas Limited, Dubai (Rs. 13,922)			—	—
b) 375,500 (Previous Year 375,500) 10% Redeemable Non-Cumulative Preference Shares of Rs. 100 each fully paid up of JSW Realty & Infrastructure Pvt. Ltd.			3.76	3.76
c) 44,000,000 (Previous Year 22,000,000) Equity Shares of Rs. 10 each fully paid up of Toshiba JSW Turbine & Generator Pvt. Ltd.			44.00	22.00
d) 4,411,000 (Previous Year 11,000) Equity Shares of Rs. 10 each fully paid up of MJSJ Coal Limited			4.41	0.01
e) 1,250,000 Equity Shares of Rs. 10 each fully paid up of Power Exchange India Limited			1.25	—
B. Current Investments (Unquoted, non-traded)				
Mutual Funds *				
	No. of Units	Face Value (Rs.)		
IDFC Mutual Fund:				
IDFC Money Manager - Invest Plan B	70,356,373	10	100.82	—
Birla Sun Life Mutual Fund:				
BSL Interval Income Fund - Growth	43,083,326	10	50.32	—
BSL Short Term Opportunities - Growth	96,191,629	10	100.62	—
Ultra Short Term Fund - IP - Growth	116,093,937	10	127.02	—
ICICI Prudential Mutual Fund:				
Ultra Short Term Plan - Growth	85,702,839	10	88.56	—
Banking & PSU Debt Fund - Growth	99,606,792	10	100.67	—
Short Term IP Growth	51,809,642	10	100.18	—
UTI Mutual Fund:				
Short Term Income Fund - Growth	63,687,461	10	100.14	—
Religare Mutual Fund:				
Credit Opportunity - Growth	34,745,063	10	35.87	—

			As at 31.03.2010	As at 31.03.2009
SCHEDULE 'F' - INVESTMENTS (Contd.)				
LIC Mutual Fund:				
Income Plus - Growth	58,150,094	10	71.90	—
Saving Plus - Growth	148,506,901	10	217.37	—
Floating Rate Fund - Growth	73,219,557	10	110.72	—
L&T Mutual Fund:				
Select Income Flexi Debt IP Growth	24,547,774	10	25.13	—
			<u>1,434.44</u>	<u>170.47</u>
* Includes Rs. 738.00 crores (Previous Year Nil) pending utilisation of Proceeds from Initial Public Offer				
Aggregate of Book Value of Mutual Funds			1,229.32	—
Aggregate of Book Value of Unquoted Investments			53.42	25.77
Aggregate of Book Value of Quoted Investments			151.70	144.70
Aggregate of Market Value of Quoted Investments			864.83	159.39
SCHEDULE 'G' - INVENTORIES				
(As taken, valued and certified by the Management)				
Stock of fuel			340.11	7.30
Stores & Spares			31.26	24.97
(including in transit Rs. 53.07 crores; Previous Year Rs. 0.60 crores)				
			<u>371.37</u>	<u>32.27</u>
SCHEDULE 'H' - SUNDRY DEBTORS				
Unsecured, considered good				
Outstanding for a period not exceeding six months			266.03	131.54
Outstanding for a period exceeding six months			5.36	5.35
(Refer Note 8 in Schedule 'P')				
			<u>271.39</u>	<u>136.89</u>
SCHEDULE 'I' - CASH AND BANK BALANCES				
Cash in hand			0.05	0.07
Cheques on Hand			5.00	-
Balance with Scheduled Banks:				
a) In Current Accounts *			82.89	69.03
b) In Deposits #			488.63	86.00
c) In Margin Money Accounts (for issue of Bank Guarantees)			28.25	20.00
* Includes Rs. 4.21 crores (Previous Year Nil) being unutilised proceeds from Initial Public Offer and Rs. 0.15 crores (Previous Year Nil) unclaimed balance in Share Application Money Refund Account				
# Includes Rs. 469 crores (Previous Year Nil) being unutilised proceeds from Initial Public Officer				
			<u>604.82</u>	<u>175.10</u>

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'J' - LOANS AND ADVANCES		
Secured, considered good		
Loan to Body Corporate	6.51	5.68
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	105.02	97.39
Advance against Preference Share Capital - JSW Realty & Infrastructure Pvt. Ltd.	0.78	-
Advance against Equity Share Capital - Associates	-	22.55
Minimum Alternative Tax credit entitlement	78.75	-
Loan to Body Corporate	153.85	38.65
Deposits with Government / Semi Government Authorities	2.30	3.79
Advance Tax and tax deducted at source (net of Provision of Rs. 420.53 Crores; Previous Year Rs. 253.76 crores)	0.19	3.02
Sundry Deposits:		
- Lease of Office Property	14.00	-
- Others	19.77	24.62
VAT Credit Receivable	4.06	-
	385.23	195.70
CURRENT LIABILITIES & PROVISIONS		
SCHEDULE 'K' - CURRENT LIABILITIES		
Acceptances (Buyers Credit)	361.98	-
Sundry Creditors	285.78	164.59
Project Creditors	1,079.17	1,568.95
Project Creditors (Outstanding dues of Micro, Small and Medium Enterprises)	0.03	-
Unclaimed Share Application Money Refunds	0.15	-
Other Liabilities *	21.88	21.78
Interest accrued but not due on loans / debentures	3.45	7.08
* No amount due to be credited to Investor Education and Protection Fund	1,752.44	1,762.40
SCHEDULE 'L' - PROVISIONS		
For Gratuity	1.69	1.32
For Leave Entitlement	3.08	2.47
For Proposed Dividend	123.00	-
For Dividend Distribution Tax	20.43	-
	148.20	3.79

Schedules forming part of the Consolidated Profit and Loss
Account for the year ended 31st March, 2010

Rupees in crores

	For the year ended 31.03.2010	For the year ended 31.03.2009
SCHEDULE 'M' - OTHER INCOME		
Interest Income (TDS Rs 0.40 crores; Previous Year Rs. 0.85 crores)	4.93	3.84
Dividend Income on long term investments	0.70	1.19
Exchange Difference (Net)	18.43	0.08
Rebate on Power Purchase	0.36	11.01
Consultancy Fee	1.66	0.47
Profit on sale of current investments	26.92	-
Miscellaneous Income	21.17	0.55
	74.17	17.14
SCHEDULE 'N' - OPERATION, MAINTENANCE AND OTHER EXPENSES		
Payment to & Provision for Employees:		
a) Salaries & Wages	25.49	22.94
b) Contribution to Provident & Other Funds	2.24	1.45
c) Staff & Labour Welfare Expenses	3.37	2.65
Water	12.77	2.25
Rent	1.59	2.50
Rates and Taxes	3.33	6.75
Insurance	9.60	0.99
Consumption of Stores & Spares	9.59	7.23
Repairs and Maintenance expenses:		
Building	0.57	0.27
Plant & Machinery	13.42	7.86
Others	1.06	0.45
Legal & Professional Expenses	1.01	5.98
Merger expenses	-	5.85
Postage & Telephone	0.28	0.46
Printing & Stationery	0.39	0.40
Travelling and Conveyance	3.97	5.59
Loss on Sale of Fixed Assets	0.13	0.21
Power Trading Charges	10.92	0.53
Cash Discount	28.55	28.26
General Expenses	4.86	5.87
	133.13	108.49
SCHEDULE 'O' - INTEREST AND FINANCE CHARGES		
Interest on:		
Debentures & Fixed Loans	261.26	112.72
Working Capital Loan	4.34	1.48
Others	2.21	0.51
Finance Charges	15.89	6.23
	283.70	120.94

— Schedules forming part of the Consolidated Accounts as at 31st March, 2010 —

SCHEDULE 'P'

Significant Accounting Policies and Notes to Consolidated Accounts:

1. Overview of the Group

JSW Energy Limited (the Parent company), its Subsidiaries and a Jointly Controlled Entity, collectively is referred to as 'the Group'. The Group is primarily engaged in the business of generation of power, operation & maintenance of power plants and trading in power.

2. Basis of preparation

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements" and Accounting Standard (AS) 27 - "Financial Reporting of Interests in Joint Ventures", prescribed by the Company's Accounting Standard Rules, 2006.

3. Principles of Consolidation

i. The financial statements of the Parent Company, its Subsidiaries and a jointly controlled entity have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

ii. Goodwill on consolidation

The excess of cost to the Parent company of its investment in Subsidiaries over the Parent's portion of equity of the Subsidiaries, at the date on which investment in Subsidiaries is made, is recognised as Goodwill in the Consolidated Financial Statements.

iii. Companies included in Consolidation

	Date of becoming Subsidiary/ Joint Venture	Proportion of ownership interest as at	
		31.03.2010	31.03.2009
Subsidiaries:			
Incorporated in India			
JSW Power Trading Company Ltd.	From July 8, 2005	100.00%	100.00%
JSW Energy (Ratnagiri) Ltd.	From June 30, 2006	100.00%	100.00%
Jaigad PowerTransco Limited	From July 29, 2008	74.00%	74.00%
RajWest Power Ltd.	From February 10, 2006	100.00%	100.00%
JSW Energy (Raigarh) Limited	From August 31, 2009	100.00%	—
JSW Energy (Bengal) Ltd.	From March 10, 2010	74.00%	—
Incorporated in Indonesia			
P.T. Param Utama Jaya	From January 18, 2007	100%	100%
Joint Venture:			
Incorporated in India			
Barmer Lignite Mining Company Ltd.	From January 19, 2007	49%	49%

4. Toshiba JSW Turbine & Generator Private Limited and MJSJ Coal Limited have been excluded from consolidation and for disclosure of interest in accordance with relevant accounting standards, as the Company does not have any control over the said Joint Venture entities.

5. Significant Accounting Policies

(a) General

- i. The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
- ii. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- iii. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
- iv. The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

(b) Revenue Recognition

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- i. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.
- ii. Operator fees and other income is accounted on accrual basis as and when the right to receive arises.

(c) Fixed Assets

Fixed Assets are stated at cost of acquisition and any cost attributable for bringing the asset to its working condition for its intended use.

Expenditure incurred during Construction Period

Expenditure related to and incurred during implementation of capital projects is included under “Capital Work in Progress”. The same is allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

(d) Depreciation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

Lease Improvement Costs is amortised over the period of the lease except in case the lease is convertible in to Freehold Land under the lease agreement at a future date at no additional cost.

(e) Intangibles

Intangible Assets consisting of Membership fee for Power Trading Exchanges and Exchange Trading Software is amortised over the estimated useful life of 3 years.

The Group capitalises software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 years.

(f) Impairment of Assets

In accordance with Accounting Standard-28 on ‘Impairment of assets’ where there is an indication of impairment of the Company’s assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the profit and loss account whenever the carrying amount of such assets exceed its recoverable amount.

(g) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, are capitalized as part of the cost of such assets up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs shall cease when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are expensed as and when they are incurred.

(h) Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any investments, a provision for the same is made.

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit & loss account.

(i) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of weighted average. Obsolete, defective and unserviceable stocks are duly provided for wherever applicable.

(j) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency designated assets, liabilities and capital commitments are stated at the year end rates.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognized in the period in which they arise and the premium paid is accounted as expense over the period of the contract.

In translating the financial statements of subsidiary companies' non-integral foreign operations, for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, the income and expense items of the subsidiary company are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

Exchange difference relating to long term monetary items, so far as they relate to asset acquisition, are capitalized and added to / deducted from the cost of the asset. All other exchange differences are dealt with in the Profit & Loss account.

(k) Employee benefits

Retirement benefits in the form of Provident Fund and Family Pension Scheme are defined contribution schemes 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 other obligations other than the contribution payable to the respective trusts.

Stock Based Compensation - The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(l) Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(m) Provisions and Contingent Liabilities

Provisions are recognised based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date when,

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

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.
- b) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the enterprise.

6. Contingent Liabilities not provided for in respect of:

Rupees in crores

Particulars	Current Year	Previous Year
Bank Guarantees Outstanding	499.49	266.86
Income Tax matter	7.21	6.23

7. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):

Rupees in crores

Particulars	Current Year	Previous Year
Estimated amount of contracts (net of advances)	1,086.69	3,707.72

8. The Parent Company was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt. of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July 2002 reducing the tariff retrospectively from 1st August, 2000. The Company's appeal against the said Order was decided by the Karnataka High Court vide its Order dated 8th April, 2004 in favour of the Company. KPTCL and KERC filed Special Leave Petition before the Honourable Supreme Court challenging the Order of Karnataka High Court. As against the outstanding amount of Rs. 105.35 crores, in terms of the interim order dated 23rd January, 2007 of Supreme Court, KPTCL paid Rs.100.00 crores against bank guarantee provided by the Company. The balance amount of Rs. 5.35 crores due from KPTCL is included in Sundry Debtors and considered as good and recoverable.
9. The Initial Public Offer (IPO) proceeds have been utilised for the objects of the issue stated in the Prospectus dated 17th December, 2009 ('Prospectus') as under:

Particulars	Rupees in crores	Rupees in crores
A. Gross Proceeds Received from IPO		2,700.00
B. Utilisation upto 31st March, 2010	To be utilised as per Prospectus	Amount utilised upto 31.03.2010
i. To part finance construction and development of identified projects aggregating to 2790 MW capacity; 400 KV Transmission project and Mining Venture	2,142.53	924.24
ii. Repayment of Corporate Debt	470.00	470.00
iii. Share Issue Expenses	75.98	37.55
iv. General Corporate Purpose	11.49	—
Total	2,700.00	1,431.79
Break-up of unutilised amount:		
Investment in Mutual Fund Units (Refer Schedule F)		738.00
Bank Fixed Deposits (Refer Schedule I)		469.00
Balance in current account (Refer Schedule I)		4.21
Reduction of overdraft		57.00
Total		1,268.21

10. The proportionate share in the assets, liabilities, income and expenses of the Joint Venture Entity included in these consolidated financial statements are given below:

Rupees in crores

Particulars	Current Year	Previous Year
Assets		
Fixed Assets (net) including CWIP	159.06	47.29
Current Assets	0.18	0.04
Total Assets	159.24	47.33
Liabilities		
Share Capital	9.80	9.80
Unsecured Loan	147.81	37.13
Current Liabilities	1.63	0.40
Total Liabilities	159.24	47.33
Income	—	—
Expenses	—	—

Also refer Note 4 above

11. Capital Work-in-Progress in Schedule 'E' includes Rs. 159.06 crores (Previous year Rs. 47.29 crores) being the Company's share of expenditure incurred on development of lignite mines at Kapurdi and Jalipa in joint venture with Barmer Lignite Mining Company Limited (BLMCL). The expenditure incurred will be amortised from the year of commencement of operations, in the ratio of quantum of lignite extracted and the total reserve estimated.

12. Employees Benefits:

- (i) Defined benefit plans – as per actuarial valuations as on 31/03/2010:

Details of Gratuity plan are as follows:

		Rupees in crores	
Description	Current Year	Previous Year	
1. Reconciliation of opening and closing balances of obligation			
a) Opening Balance	1.33	0.87	
b) Current Service Cost	0.41	0.43	
c) Interest Cost	0.10	0.06	
d) Actuarial (gain)/loss	(0.01)	(0.01)	
e) Benefits paid	(0.13)	(0.03)	
f) Closing Balance	1.70	1.32	
2. Change in Plan Assets (Reconciliation of opening & closing balances)			
a) Opening Fair Value of plan assets	1.05	0.65	
b) Actual Company Contributions	0.52	0.22	
c) Expected return on plan assets	0.11	0.06	
d) Actuarial (gain)/loss	0.01	0.15	
e) Benefits paid	(0.13)	(0.03)	
f) Closing Fair Value of plan assets	1.56	1.05	
3. Reconciliation of fair value of assets and obligations			
a) Present value of obligation	1.69	1.32	
b) Fair value of plan assets	1.57	1.05	
c) Balance amount recognized as liability in the Balance Sheet	0.13	0.27	
4. Expense recognized in the period			
a) Current service cost	0.41	0.43	
b) Interest cost	0.10	0.06	
c) Expected return on plan assets	(0.11)	(0.06)	
d) Actuarial (gain)/loss	(0.01)	(0.01)	
e) Expense recognised	0.40	0.42	
5. Investment Details			
The full amount has been invested in cash accumulation scheme of Life Insurance Corporation of India			
6. Assumptions			
a) Discount rate (per annum)	8%	7%	
b) Estimated rate of return on plan assets (per annum)	8.5%	8%	
c) Rate of escalation in salary (per annum)	5%	5%	

- (ii) Employee Share based Payment Plans:

- a) During the period ended 31st March, 2010, the Company has three share-based payments arrangements, which are described below:

Particulars	Scheme 1 (General Manager & Above)	Scheme 2 (Junior Manager to General Manager)	Scheme 3 (Associate Vice President & Above)
Date of grant	December 19, 2007	December 19, 2007	December 19, 2007
Number of shares granted *	7,349	19,199	35,231
Vesting Period	3 years service	3 years service	3 years service
Method of settlement	Cash	Cash	Cash
Exercise Price	600	800	900

- b) Expenses arising from employee's share-based payment plans debited to Profit and Loss Account Rs. 0.73 crores (Previous Year Rs. 0.73 crores).

* Includes 4,349 shares granted to managing director / whole-time directors and non-executive directors.

13. The foreign currency exposures that:

(i) have not been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:

Particulars	Euro Millions	USD Millions	Rupees Crores
a) Capital Advances (as on 31/03/09)	– (–)	0.47 (23.62)	2.11 (122.29)
b) Pending Capital Commitments (as on 31/03/09)	– (0.29)	1.85 (283.62)	8.37 (1446.98)
c) Secured Loan (as on 31/03/09)	– (–)	4.04 (9.42)	18.22 (48.00)
d) Creditors (as on 31/03/09)	– (–)	55.43 (81.86)	250.19 (417.07)
e) Balance of Buyers Credit (as on 31/03/09)	– (–)	80.19 (–)	361.97 (–)
f) Interest accrued but not due on Buyer's credit (as on 31/03/09)	– (–)	0.11 (–)	0.48 (–)

(ii) have been hedged by a derivative instrument or otherwise as at Balance Sheet date are Nil.

14. The Group has taken certain premises on cancelable / non-cancelable Operating lease arrangement with:

(a) **JSW Steel Limited**

Major Terms of the agreement are as under

- (i) Annual Lease rent: Rs. 15,000 (Previous Year Rs. 15,000)
- (ii) Tenure of lease: Lease Agreement valid till 31st March, 2033
- (iii) Lease Deposit: Rs. 6.49 crores (Previous Year Rs. 6.49 crores)

(b) **Ramakrishna Associate Pvt. Limited along with Seven others**

Major Terms of the agreement are as under

- (i) Annual Lease rent: Rs. 1.21 crores (Previous Year Rs. 1.49 crores)
- (ii) Tenure of lease: Lease Agreement valid till 31st December 2010
- (iii) Lease Deposit: Rs. 0.33 crores (Previous Year Rs. 0.33 crores)

Rupees in crores

The Total of Future Minimum lease payments under non-Cancelable operating lease for each of the following period are as under.	Current Year	Previous Year
A) Not later than 1 year	0.91	1.47
B) Later than 1 year and not later than 5 years	–	1.11
C) Later than 5 years	–	0.03

15. Deferred Tax Liability consists of timing differences due to depreciation: Rs. 116.10 crores (Previous Year Rs. 81.45 crores).

16. (i) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.

(ii) The Company is yet to receive balance confirmations in respect of certain sundry creditors and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.

17. Provision for Taxation includes:

Rupees in crores

	Current Year	Previous Year
Current Tax	166.39	78.12
Deferred Tax	34.66	12.95
Wealth Tax	0.06	0.08
Minimum Alternate Tax (MAT) credit entitlement	(78.75)	–
Total	122.36	91.15

18. **Earnings Per Share (Basic & Diluted)***

Particulars	Units	Current Year	Previous Year
Net Profit as attributable to equity shareholders (A)	Rs. Crores	745.49	276.69
Weighted Average number of equity shares outstanding during the year	Nos.	624,634,529	546,571,277
Add: Bonus shares issued in current year	Nos.	819,856,914	819,856,914
Total Weighted Average number of equity shares outstanding during the year (B)	Nos.	1,444,491,443	1,366,428,191
Earnings Per Share (Basic & Diluted) (A/B)	Rs.	5.17	2.02
Nominal Value of an equity share	Rs.	10.00	10.00

* Under the respective agreements, the lenders have at their option, a right to convert the outstanding amount into fully paid equity shares, in the event of default by the Group in payment of principal and/or interest. As the Group is not in default of any payment obligations to these lenders as on 31st March, 2010 the same are not considered as potential equity shares for the purpose of calculating diluted earnings per share.

19. (i) Capital Advance include Rs. 75 crores (Previous Year Rs.75 crores) paid towards acquisition of a office / residential property to be constructed.
- (ii) Loans and Advance include Rs. 5.80 crores (Previous Year Rs. 5.91 crores) paid as interest free loan to JSW Energy Employees Welfare Trust.
20. Advances include amount of Rs. 20 crores (Previous Year Rs. 20 crores) paid to certain parties towards supply of power, the discharge of contractual obligation in relation to which and consequent settlement / recovery of the amount is outstanding as at 31st March, 2010. The Company is taking necessary steps and expects to settle / recover the said amount in due course.
21. There are no reportable segments as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.
22. Details of Current Investments purchased & sold during the year ended 31st March, 2010.

Particulars	No. of Units
IDFC Mutual Fund (Face Value of Rs. 10 each)	
Cash Fund Super IP-C-Growth	24,78,44,701
Money Manager-Treasury Plan Super IP	16,21,28,965
IDFC Money Manager - Invest Plan - Plan B - Growth	7,03,56,172
IDFC Money Manager - Invest Plan - Plan B - Dividend	10,04,16,604
Birla Sun Life Mutual Fund (Face Value of Rs. 10 each)	
Cash Plus Inst. Prem. Growth	18,91,17,966
Saving Fund Inst. Growth	8,68,03,620
BSL Interval Income Fund - Growth	8,61,67,308
BSL Interval Income Fund - Dividend	9,99,99,932
BSL Short Term Opportunities - Growth	19,23,84,582
BSL Short Term Opportunities - Dividend	20,07,90,533
ICICI Prudential Mutual Fund	
Liquid Plan Super IP Growth (Face Value of Rs. 100 each)	6,83,58,753
Flexible Income Plan Prem. Growth (Face Value of Rs. 100 each)	1,44,72,133
Floating Rate Plan D (Face Value of Rs. 100 each)	92,72,078
Ultra Short Term Plan – Growth (Face Value of Rs. 10 each)	68,32,11,021
Ultra Short Term Plan – Dividend (Face Value of Rs. 10 each)	8,82,22,305
Banking & PSU Debt Fund – Growth (Face Value of Rs. 10 each)	19,92,12,211
Banking & PSU Debt Fund – Dividend (Face Value of Rs. 10 each)	20,07,20,272
Short Term IP Growth (Face Value of Rs. 10 each)	5,17,29,311
Short Term IP Dividend (Face Value of Rs. 10 each)	8,34,72,601
Kotak Mutual Fund (Face Value of Rs. 10 each)	
Liquid Institutional Premium Growth	12,01,03,429
Flexi Debt	17,58,04,377
Floater Long Term	1,73,13,643
DWS Mutual Fund (Face Value of Rs. 10 each)	
DWS Insta Cash Plus Fund	14,80,00,843
DWS Insta Cash Plus Fund - Super Inst. Plan Growth	1,69,17,468
DWS Ultra Short Term Fund	16,34,79,097
DWS Cash Opportunity	4,27,22,993
HDFC Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund Premium Plan	9,79,48,880
Cash Management Fund Treasury Advantage	8,96,90,545
Reliance Mutual Fund (Face Value of Rs. 10 each)	
Liquidity Fund Growth (Face Value of Rs. 10 each)	24,18,15,262
Medium Term Fund Retail Plan Growth (Face Value of Rs. 10 each)	7,94,99,682
Money Manager Fund Inst. Growth (Face Value of Rs. 1,000 each)	12,09,079
JP Morgan Mutual Fund (Face Value of Rs. 10 each)	
Liquidity Fund Super Inst. Growth	8,48,59,388
Treasury Fund Super Inst. Growth	8,42,91,499
Baroda Pioneer Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund Inst. Growth	12,04,55,872
Treasury Advantage Fund Inst. Growth	9,75,27,507

Particulars	No. of Units
JM Financial Mutual Fund	
Liquid Fund Inst. Growth (Face Value of Rs. 1,000 each)	18,96,47,106
Money Manager Fund Super Plus (Face Value of Rs. 10 each)	19,47,57,899
Franklin Templeton Mutual Fund (Face Value of Rs. 10 each)	
Templeton India TMA Liquid Plan	10,81,408
Templeton India Ultra Short Term Bond Fund	4,09,03,024
Templeton Floating Rate Fund	7,89,80,356
Tata Mutual Fund (Face Value of Rs. 1,000 each)	
Liquid Super High Invt. Fund Appreciation	1,48,696
Treasury Manager SHIP Growth	2,41,648
UTI Mutual Fund	
Liquid Cash Plan Inst. Growth (Face Value of Rs. 1,000 each)	23,31,810
Treasury Advantage Fund Inst. Growth (Face Value of Rs. 1,000 each)	20,44,184
Short Term Income Fund – Growth (Face Value of Rs. 10 each)	6,36,87,414
Short Term Income Fund – Dividend (Face Value of Rs. 10 each)	8,41,94,251
Religare Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund Super IP – Growth	11,93,18,101
Credit Opportunity – Growth	14,62,63,388
Credit Opportunity – Dividend	5,55,54,693
LIC Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund - Growth	70,69,71,759
Liquid Fund - Growth	4,48,77,025
Income Plus - Growth	46,29,30,031
Income Plus - Dividend	7,18,63,001
Saving Plus - Growth	25,50,78,129
Saving Plus - Dividend	22,22,590
Floating Rate Fund - Growth	16,45,05,021
Floating Rate Fund - Dividend	10,90,82,389
L&T Mutual Fund (Face Value of Rs. 10 each)	
Liquid Fund - Growth	1,98,51,668
Select Income Flexi Debt IP Growth	2,45,47,471
Select Income Flexi Debt IP Dividend	2,49,83,095

23. Related Party Transactions

A. LIST OF RELATED PARTIES

i) Associates/Parties with whom the Group has entered into transactions:

1. JSW Steel Limited
2. Jsoft Solutions Limited
3. Windsor Residency Private Limited
4. Toshiba JSW Turbine & Generator Private Limited
5. MJSJ Coal Limited
6. JSW Investment Private Limited (JSWIPL)
7. JSW Jaigarh Port Limited (JPR)
8. JSW Cement Limited (JSWCL)
9. JSW Realty & Infrastructure Private Limited (SWIPL)
10. Jindal Technologies & Management Services Private Limited (JTMS)
11. Sun Investments Private Limited
12. Gagan Trading Company Limited

ii) Joint Venture

Barmer Lignite Mining Company Limited

iii) Key Managerial Personnel

1. Mr. Sajjan Jindal – Chairman & Managing Director
2. Mr. N. K. Jain – Vice Chairman – From January 21, 2010
3. Mr. S.S. Rao – Jt. Managing Director & CEO

B. Related Party Transactions

Rupees in crores

Nature of Transactions	Current Year	Previous Year
A. Transactions during the year		
1. Sale of power to		
JSW Steel Limited	537.09	92.39
JSW Cement Limited	4.16	–
2. Dividend Received		
JSW Steel Limited	0.70	1.19
3. Rebate on Sale of power to		
JSW Steel Limited *(Rs. 40,798)	0.00*	–
4. Service Received from		
JSW Steel Limited	13.69	–
Jsoft Solutions Limited	3.79	1.78
Jindal Technologies & Management Services Pvt. Ltd.	0.18	0.07
JSW Jaigarh Port Limited	2.24	–
5. Service Rendered to (excluding service tax)		
JSW Steel Limited	18.68	17.87
Toshiba JSW Turbine & Generator Private Limited	8.56	–
6. Purchase of Fuel / Goods		
JSW Steel Limited	890.90	694.32
JSW Cement Limited	–	0.20
7. Rent Paid		
JSW Steel Limited	–	0.65
Gagan Trading Company Limited	0.01	0.01
JSW Realty Infrastructure Pvt. Ltd.	0.07	0.02
8. Amount paid / payable for Acquisition of Office / Residential Properties		
Windsor Residency Private Limited	49.14	–
9. Trade Advance Received from		
JSW Steel Limited	110.00	30.00
10. Security Deposit paid for lease of office property / houses		
JSW Realty Infrastructure Pvt. Ltd.	4.00	3.00
11. Lease Deposit Paid / (Received)		
JSW Steel Limited (*Rs. 2000)	*0.00	*0.00
JSW Jaigarh Port Limited *(Rs. 250)	*(0.00)	(0.31)
12. Purchase of Free Hold Land		
JSW Steel Limited	0.09	0.99
13. Expenses Incurred		
JSW Realty Infrastructure Private Limited	–	0.06
JSW Steel Limited	0.05	–
14. Reimbursement of Grid support charges from JSWSL paid to KPTCL	2.64	2.52
15. Advance paid against Preference Share Capital:		
JSW Realty Infrastructure Pvt. Ltd.	0.78	–
16. Advance paid against Equity Capital		
Toshiba JSW Turbine & Generator Pvt. Ltd.	–	22.00
MJSJ Coal Limited	–	0.55
17. Purchase of Equity Shares of JSW Steel Limited from		
JSW Investments Private Limited	7.00	103.35
Sun Investments Private Limited	–	20.28
Gagan Trading Company Limited	–	1.39
18. Investment in Equity Shares of		
Toshiba JSW Turbine & Generator Pvt. Ltd.	22.00	22.00
MJSJ Coal Limited	4.40	0.01
19. Subordinated Loan to		
Barmer Lignite Mining Company Limited	225.88	49.80

Nature of Transactions	Current Year	Previous Year
B. Closing Balances		
1. Trade Payables / (Receivable)		
JSW Steel Limited – Payable for fuel & water supplies	241.00	100.23
– Receivable for sale of power & operator fees	(156.68)	(87.53)
Jindal Technologies & Management Services Pvt. Ltd.	0.01	0.01
JSW Cements Limited	(4.16)	0.06
JSW Jaigarh Port Limited	2.20	0.31
JSW Realty & Infrastructure Limited	–	0.00
JSW Energy Investment Pvt. Ltd.,	(1.03)	(1.03)
Toshiba JSW Turbine & Generator Pvt Ltd.	(2.48)	–
MJSJ Coal Limited	(0.06)	(0.06)
JSW Infrastructure Ltd. *(Rs. 45,000)	*0.00	*0.00
2. Lease Deposit with		
JSW Steel Limited	6.49	6.49
Gagan Trading Company Limited	14.00	14.00
JSW Realty Infrastructure Pvt. Ltd.	7.00	3.00
3. Lease Deposit from		
JSW Steel Limited	0.16	0.16
4. Trade Advance Paid		
JSW Steel Limited	20.00	20.00
JSW Realty Infrastructure Pvt. Ltd.	30.00	30.00
5. Advance paid against Equity Share Capital		
Toshiba JSW Turbine & Generator Pvt. Ltd.	–	22.00
MJSJ Coal Limited	–	0.55
6. Advance paid against Preference Share Capital		
JSW Realty Infrastructure Pvt. Ltd.	0.78	–
7. Payable for acquisition of Free Hold Land		
JSW Steel Limited	–	2.28
8. Advance paid for Acquisition of Office / Residential Properties		
Windsor Residency Private Limited	124.14	75.00
9. Investment in Preference Share Capital		
JSW Realty Infrastructure Pvt. Ltd.	3.76	3.76
10. Investment in Equity Shares		
JSW Steel Limited	151.70	144.70
JSW Energy Overseas Limited *(Rs. 13,922)	*0.00	*0.00
Toshiba JSW Turbine & Generator Pvt. Ltd.	44.00	22.00
MJSJ Coal Limited	4.41	0.01
11. Subordinated Loan to		
Barmer Lignite Mining Company Limited	301.66	75.78
C. Remuneration to Key Management Personnel:		
Mr. Sajjan Jindal	5.02	0.98
Mr. N. K. Jain	0.52	–
Mr. S. S. Rao	1.38	1.17

Notes:

- i) No amounts in respect of related parties have been written off/written back during the year/period, nor has any provision been made for doubtful debts/receivables.
 - ii) Related party relationships have been identified by the management and relied upon by the Auditors.
- 24.** The commercial operations of the two units of 2 X 300 MW Power Plant (SBU II) at Toranagallu and one unit of 8 x 135 MW Power Plant at Barmer have commenced from 1st July, 2009 (300 MW), 1st September, 2009 (300 MW) and 26th November, 2009 (135 MW) respectively, hence, the current year figures are not comparable with the previous year.
- 25.** Previous year's figures have been regrouped/rearranged wherever necessary to conform to current year's classification.

Signatures to Schedules A to P
For and on behalf of the Board of Directors

N. K. Jain
Vice Chairman

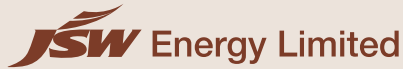
Sajjan Jindal
Chairman and Managing Director

Place: Mumbai
Date: 27th April, 2010

Sampath Madhavan
Company Secretary

Pramod Menon
Chief Financial Officer

S.S. Rao
Jt. Managing Director & CEO



Regd. Office : Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

ATTENDANCE SLIP

**Regd. Folio No.....

D.P. I.D.....

Client I.D.....

SIXTEENTH ANNUAL GENERAL MEETING - 15TH JULY, 2010

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the **Sixteenth Annual General Meeting** of the Company held on Thursday, 15th July, 2010 at 11.00 a.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

 * Member's / Proxy's Name in Block Letters

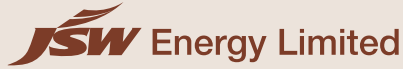
 * Member's/Proxy's Signature

Note :

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The Copy of the Notice may please be brought to the Meeting Hall.

* **Strike out whichever is not applicable.**

.....Tear Here



Regd. Office : Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

PROXY FORM

**Regd. Folio No.....

D.P. I.D.....

Client I.D.....

SIXTEENTH ANNUAL GENERAL MEETING - 15TH JULY, 2010

I/We

of

being a member/members of JSW Energy Limited, hereby appoint

..... of

or failing him/her

of

as my/our Proxy to attend and vote for me/us on my/our behalf at the **Sixteenth Annual General Meeting** of the Company to be held on Thursday, 15th July, 2010 at 11.00 a.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, and at any adjournment thereof.

Signed this day of2010

Note :-

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Registered Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026, not less than 48 hours before the scheduled time of the meeting.

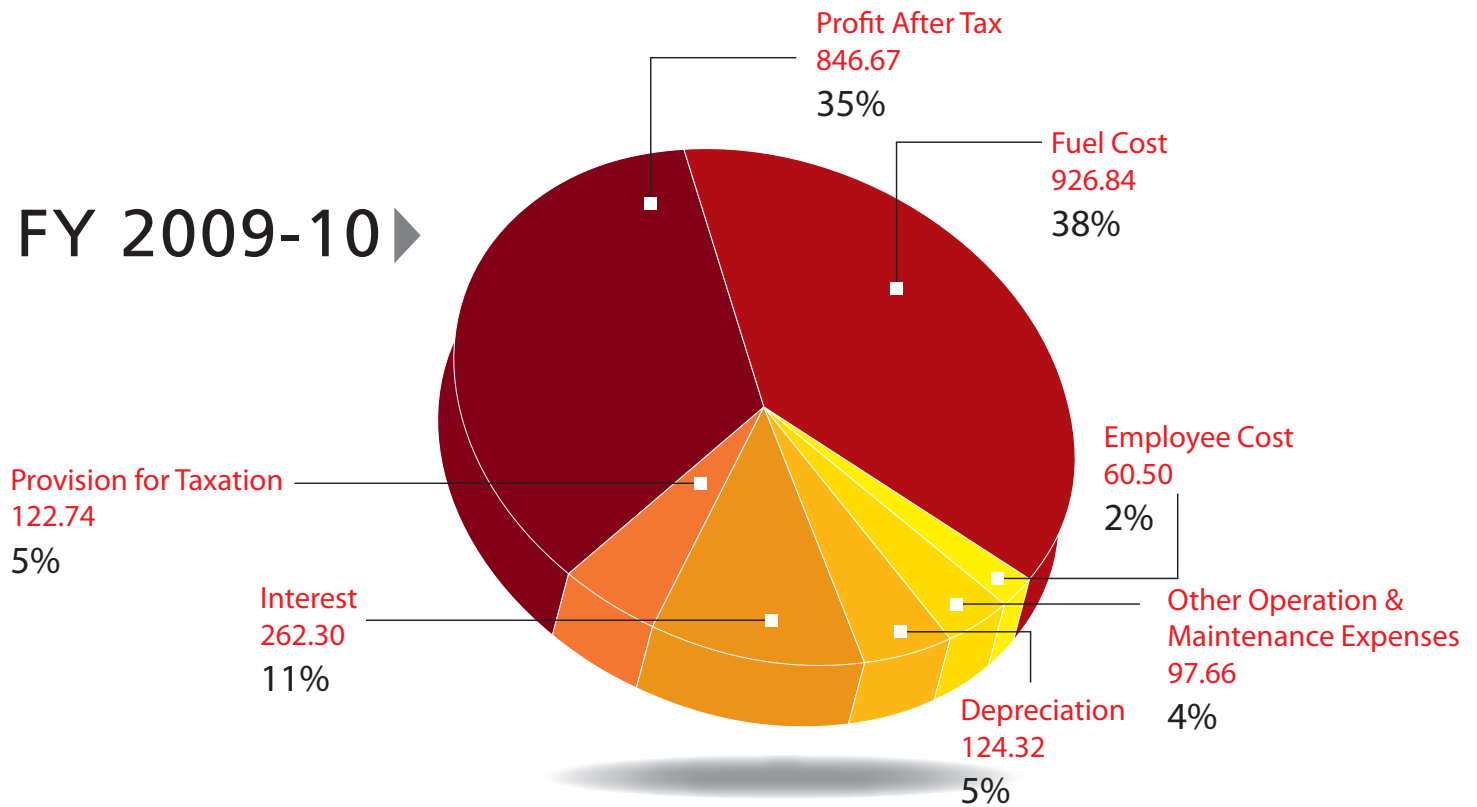
Signature _____



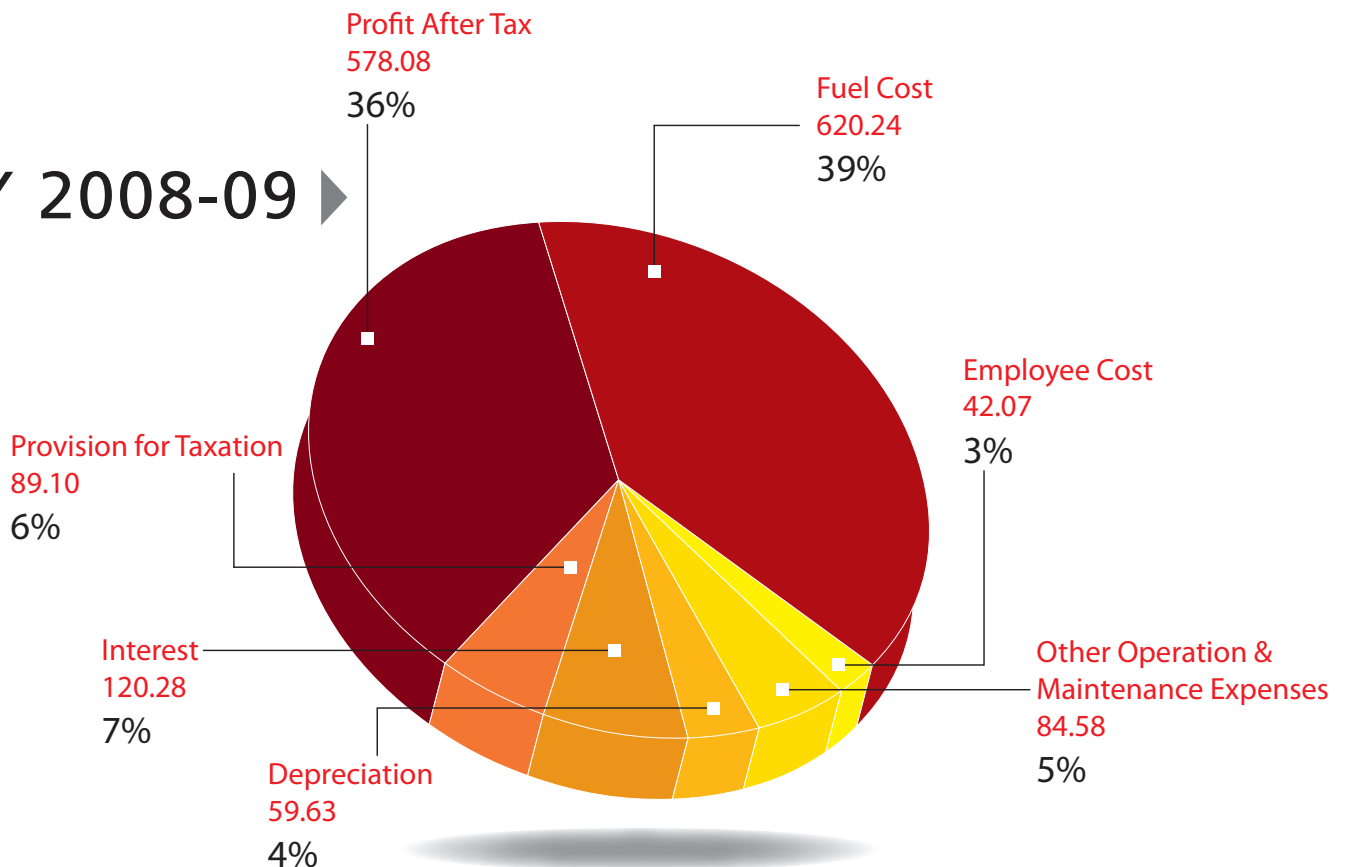
** Applicable only in case of investors holding shares in Physical form.

Cost & Profit as a percentage of Total Income (Rs. in crores)

FY 2009-10 ▶



FY 2008-09 ▶



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If undelivered, please return to:

JSW Energy Limited, The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai 400 025. Tel: +91-22-6783 8000