

JAI PRAKASH
POWER VENTURES LIMITED
(Formerly known as Jaiprakash Hydro-Power Ltd.)



annual report
2009 - 10

powering prosperity



Construction
Power
Cement
Hospitality
Real Estate

— NO DREAM TOO BIG —



Vision

To be the most efficient Power company of the country with optimum utilization of resources, to provide power to all, while bringing reward to all its stakeholders continuously.

Construction work in progress at 500 MW Bina TPP (Phase-I) Madhya Pradesh

Mission

- ⚡ To develop & operate technically sound projects in cost effective manner.*
- ⚡ To ensure best monitoring & maintenance techniques which would offer us a competitive advantage in the industry.*
- ⚡ To become a world class, diversified & transnational power company with diversified sources of revenue & low business risk.*
- ⚡ To play a significant role in the growth of the Indian power sector.*
- ⚡ Expand our installed capacity to develop a superior portfolio of assets.*
- ⚡ Maintain a high level of social responsibility in the communities in which we operate.*
- ⚡ To uphold the principles of trust, corporate governance and transparency in all aspects of business.*

JAYPEE GROUP'S POWER PROJECTS

YEAR	PROJECT	STATE	CAPACITY	TOTAL
2010	Baspa-II, HEP	Himachal Pradesh	300 MW	700 MW*
	Vishnuprayag, HEP	Uttarakhand	400 MW	
2011	Karcham Wangtoo, HEP	Himachal Pradesh	1000 MW	1500 MW
	Bina Power, TPP (Phase-I)	Madhya Pradesh	500 MW	
2013	Jaypee Nigrie, TPP	Madhya Pradesh	1320 MW	2560 MW
	Bina Power, TPP (Phase-II)	Madhya Pradesh	1000 MW	
	Kannur, TPP	Kerala	240 MW	
2014	Karchana, TPP	Uttar Pradesh	1980 MW	3960 MW
	Bara, TPP (Phase-I)	Uttar Pradesh	1980 MW	
2016	Bara, TPP (Phase-II)	Uttar Pradesh	1320 MW	2820 MW
	Lower Siang, HEP (Phase-I)	Arunachal Pradesh	1500 MW	
2018	Lower Siang, HEP (Phase-II)	Arunachal Pradesh	1200 MW	1700 MW
	Hirong, HEP	Arunachal Pradesh	500 MW	
2019	Kynshi Stage-II, HEP	Meghalaya	450 MW	720 MW
	Umngot Stage-I, HEP	Meghalaya	270 MW	
Grand Total				13960 MW

TPP – Thermal Power Plant, HEP – Hydro Electric Project

*Already Generating



Machine Hall at 400 MW Vishnuprayag Power Station, Uttarakhand



Barrage of 300 MW Baspa-II Hydro Power Station, Himachal Pradesh



Machine Hall at 300 MW Baspa-II Hydro Power Station, Himachal Pradesh



1000 MW Karcham Wangtoo Hydro Power Project, Himachal Pradesh



Machine Hall Under Construction at 1000 MW Karcham Wangtoo H.E.P., Himachal Pradesh



Head Race Tunnel Work in Progress at 1000 MW Karcham Wangtoo H.E.P., Himachal Pradesh



View of inlet at 1000 MW Karcham Wangtoo H.E.P., Himachal Pradesh

Board of Directors

Manoj Gaur, Chairman
Sunil Kumar Sharma, Vice-Chairman & CEO
Suren Jain, Managing Director & CFO
S.K. Jain
B.K.Taparia
R.N. Bhardwaj
B.B. Tandon
A. K. Goswami
S.C. Bhargava
Dr. R.C. Vaish
B.K. Batra (IDBI Nominee)
B.K. Gupta (LIC Nominee)
G.P. Gaur
Dr. D.G. Kadkade
Dr. E.R.C. Shekar
S.S. Gupta
Dr. R.L. Gupta
J.N. Gaur, Whole-time Director
Suresh Chandra, Whole-time Director
R.K. Narang, Whole-time Director

Company Secretary

M.M. Sibbal
Sr. General Manager & Company Secretary

Registered Office

JUIT Complex, Waknaghat, P.O. Dumehar Bani,
Kandaghat - 173 215, Distt. Solan (H.P.)

Corporate Office

Sector-128, Noida-201 304
Distt. Gautam Budh Nagar (U.P.)
Tel. 91-120-4609000, Fax: 91-120-4609496

Registrar & Transfer Agents

Alankit Assignments Limited
Alankit House, 2E/21
Jhandewalan Extn., New Delhi-110 055
Tel: 91-11-42541234, 23541234, Fax : 91-11-42541883
E-mail:info@alankit.com

Auditors

M/s. R. Nagpal Associates,
Chartered Accountants,
New Delhi

Website & E-mail Address

www.jppowerventures.com
jpvl.investor@jalindia.co.in

Bankers/Lenders

Indian

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
Dena Bank
ICICI Bank Limited
IDBI Bank Limited
Infrastructure Development Finance Company Limited
IFCI Limited
Indian Overseas Bank
Life Insurance Corporation of India
Oriental Bank of Commerce
Power Finance Corporation Limited
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Maharashtra
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
The Jammu & Kashmir Bank Limited
UCO Bank
Union Bank of India
United Bank of India

Foreign

Unicredit Bank AG - Munich
Credit Agricole - CIB, France
Siemens Financial Services GmbH - Germany
Standard Chartered Bank, Singapore

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NOTICE

NOTICE is hereby given that the **Fifteenth Annual General Meeting** of the Members of **JAIPRAKASH POWER VENTURES LIMITED** will be held on **Friday, the 24th September, 2010 at 11.00 A.M.** at the Registered Office of the Company at **JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.)** to transact the following business:

Ordinary Business

1. To receive, consider and adopt the **Audited Balance Sheet** as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of **Shri G.P. Gaur** who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Suresh Chandra** who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Dr. E.R.C. Shekar** who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Shri B.B.Tandon** who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of **Shri Manoj Gaur** who retires by rotation and, being eligible, offers himself for re-appointment.
7. To appoint **M/s. R. Nagpal Associates, 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 to fix their remuneration.

Special Business

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:

AS ORDINARY RESOLUTIONS:

8. **“RESOLVED THAT Shri A.K. Goswami** be and is hereby appointed a Director of the Company, liable to retire by rotation.”
9. **“RESOLVED THAT Shri R.N. Bhardwaj** be and is hereby appointed a Director of the Company, liable to retire by rotation.”
10. **“RESOLVED THAT Shri S.C. Bhargava** be and is hereby appointed a Director of the Company, liable to retire by rotation.”
11. **“RESOLVED THAT Shri Suren Jain** be and is hereby appointed a Director of the Company, liable to retire by rotation.”
12. **Creation of Security:**
 - (i) **“RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charge, if any, immovable and movable properties of the Company, wheresoever situate, present and future, in such manner as may be decided in consultation with the Financial Institutions/Banks to or in favour of Lenders/Security Trustee to secure financial assistance extended by the Lenders as per details given below:-

(Rs. in Crores)

Particulars	Financial Institutions/Banks	Amount
A. Financial Assistance against securitization of receivables of Baspa-II Plant	Allahabad Bank	111
	Andhra Bank	56
	IDBI Bank Ltd	60
	Oriental Bank of Commerce	56
	Punjab National Bank	170
	State Bank of India	170
	UCO Bank	111
	United Bank of India	111
	Total	845
B. Financial Assistance against securitization of receivables of Vishnuprayag Plant	State Bank of India	445
	Andhra Bank	90
	State Bank of Bikaner & Jaipur	90
	State Bank of Patiala	90
	State Bank of Travancore	90
	Bank of India	175
	Oriental Bank of Commerce	220
	Allahabad Bank	175
	Dena Bank	175
	IDBI Bank Limited	100
	Total	1650
C. Financing of Jaypee Nigrie Super Thermal Power Project.	ICICI Bank Limited	880
	Punjab National Bank	600
	IDBI Bank Limited	500
	United Bank of India	500
	Central Bank of India	500
	UCO Bank	350
	IDFC	300
	L I C of India	250
	Corporation Bank	200
	State Bank of Patiala	200
	State Bank of Hyderabad	200
	Bank of Baroda	200
	Oriental Bank of Commerce	200
	Canara Bank	200
	Syndicate Bank	200
Bank of Maharashtra	100	
State Bank of Bikaner & Jaipur	150	
Indian Overseas Bank	140	
	Total	5670

- D. Rupee Term Loan of Rs.1000 Crores from ICICI Bank Ltd. and
 - E. Bank Gurantee/Letter of Credit Limit of Rs.100 crores from IDBI Bank Ltd,
- together with interest thereon at the rate(s), compound interest(s), additional interest(s), liquidated damage(s), Premia on prepayment, cost(s), charge(s), expense(s), Trustees' remuneration and other money payable by the Company to such Financial Institutions/ Banks under respective loan agreements entered into with them by the Company in respect of the aforesaid financial assistance.”
- “RESOLVED FURTHER THAT** the securities/mortgages to be created by the Company aforesaid shall rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company, as may be agreed to between the Company and the Lenders.”
- (ii) **“RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charge, subject

to the existing charges, which shall be the residual charge on the entire fixed assets of the Company, wheresoever situate, present and future, in such manner as may be mutually decided with the ICICI Bank Ltd./Debenture Trustees to or in favour of IDBI Trusteeship Services Ltd. (ITSL) (acting as trustees for NCDs) to secure 14049 Zero Coupon Secured Redeemable Non-Convertible Debentures (NCDs) of Rs.10,00,000/- each, privately placed with ICICI Bank Ltd., together with interest thereon at the rate(s), compound interest(s), additional interest(s), liquidated damage(s), premia on prepayment, cost(s), charge(s), expense(s), Trustees' remuneration and other monies payable by the Company to ICICI Bank Ltd. under agreement entered into by the Company in respect of aforesaid NCDs."

By Order of the Board
For **JAIPRAKASH POWER VENTURES LTD.**

M.M. SIBBAL

General Manager &
Company Secretary

Place : Noida
Date : 29th May, 2010

Notes :

- (i) Relevant Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of resolutions set out under **item nos.8 to12** is annexed.
- (ii) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULE TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
- (iii) Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing such representatives to attend and vote at the Annual General Meeting.
- (iv) All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days, except sunday and other holidays, between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
- (v) The Register of Members and Share Transfer Books will remain closed from **18th September, 2010 to 24th September, 2010** (both days inclusive) for Annual General Meeting.
- (vi) Members who are holding shares in physical form are requested to notify the change in their respective addresses or Bank details to the Registrar and Transfer Agent (RTA) and always quote their Folio Numbers in all correspondence with the Company and RTA. In respect of holding in electronic form, Members are requested to notify any change in addresses or Bank details to their respective Depository Participants.
- (vii) Any query relating to Accounts must be sent to the Company's Registered Office at JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat-173 215, Distt. Solan (H.P.) or Corporate Office at Sector-128, Noida-201 304 at least seven days before the date of the Meeting. The envelope may please be superscribed **"AGM Queries-Attn. Shri M.M. Sibbal, Sr. General Manager & Company Secretary."**
- (viii) Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.

- (ix) **Members or their respective proxies are requested to:**
 - (a) **bring copies of Annual Report sent to the Members as copies of Annual Report shall not be distributed at the Annual General Meeting;**
 - (b) **quote their Folio no./Client ID & DP ID in all correspondence; and**
 - (c) **note that no gifts/coupons shall be distributed at the Annual General Meeting.**
- (x) (a) The shareholding of all the Directors in the Company (including those of who are being re-appointed) have been disclosed in the Report on Corporate Governance.
- (b) Additional details in terms of Clause 49 of Listing Agreement in respect of Directors being re-appointed are given hereunder:

Shri G.P. Gaur

Shri G.P. Gaur, aged about 62 years, possesses 34 years of experience in Construction and Material Management.

Shri G.P. Gaur, holds 20,000 equity shares in his own name in the Company and no share in the Company is held by him for any other person on a beneficial basis.

Shri Suresh Chandra

Shri Suresh Chandra, aged about 62 years is BE (Telecommunication) from University of Roorkee (now IIT, Roorkee) and has vast experience of over 44 years in Hydro-Power Development including EHV Systems which include Planning, Design, Erection, testing, commissioning, operation & maintenance of Hydro-Power Stations.

Shri Suresh Chandra, holds 4,850 equity shares in his own name in the Company and no share in the Company is held by him for any other person on a beneficial basis.

Dr. E.R.C. Shekar

Dr. E.R.C. Shekar, aged about 78 years, holds Post Graduate Degree from Indian Institute of Science and a Phd. in Metallurgy from Moscow University and had held Senior positions in the Industry, including that of Vice Chairman of Steel Authority of India.

Dr. E.R.C. Shekar is also on the Boards of Sunflag Iron and Steel Co. Ltd., Nav Bharat Ventures Ltd, Hazira Plate Mill Ltd, Jaypee SPA Infocom Limited & Spa Computers Pvt. Limited.

Dr. E.R.C. Shekar, does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

Shri B.B. Tandon

Shri B.B. Tandon, aged about 69 years, holds Bachelor's Degree in Law and Master's Degree in Economics from the University of Delhi. He also holds an 'Associate Certificate' of the Indian Institute of Bankers (CAIIB). Shri B.B. Tandon was a member of the Indian Administrative Services (IAS) from 1965 to 2001. He had held various positions in the Government of India and State Government of Himachal Pradesh including as Principal Secretary, Power and Chairman, Himachal Pradesh State Electricity Board. He has handled several key assignments in the Cabinet Secretariat, Department of Defence Production and Supplies, the Ministry of Industry and the Ministry of Mines, Government of India. Shri Tandon was the Chief Election Commissioner of India in 2006.

Shri B.B. Tandon is also on the Boards of Jaypee Infratech Limited, Nagarjuna Fertilizers & Chemicals Limited, Precision Pipes & Profiles Limited, Birla Corporation Limited, Oriental Carbon & Chemicals Limited, Dhampur Sugar Mills Limited, Vikas Global One Limited, Bhushan Steel Limited, Adani Power Limited, VLS Finance Limited, Exicom Tele-Systems Limited, Filatex India Limited, Ambience Limited, Smart Digivision Private Limited, Lanco Anpara Power Limited and Ambuja Cement Foundation.

Shri B.B. Tandon, does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

Shri Manoj Gaur

Shri Manoj Gaur, aged about 45 years, holds a Degree in Civil Engineering from Birla Institute of Technology and Science, Pilani. Shri Manoj Gaur has over 23 years' rich experience in all spheres of Corporate Management. Shri Manoj Gaur is Executive Chairman of Jaiprakash Associates Limited (JAL). He has been spearheading the implementation and operation of JAL's Cement Plants at Rewa and Bela in Madhya Pradesh and expansion of Cement capacities across the country and setting-up an effective marketing network. Shri Manoj Gaur is overseeing various activities of Jaypee Group such as Engineering and Construction, Hydro/Thermal Power, Real Estate, Information Technology, Hospitality and not for Profit Education.

Shri Manoj Gaur is also on the Boards of Jaypee Infratech Limited, Jaypee Karcham Hydro Corporation Limited, Gujarat Jaypee Cement & Infrastructure Limited, Bhilai Jaypee Cement Limited, Jaypee Ganga Infrastructure Corporation Limited, Madhya Pradesh Jaypee Minerals Limited, Bina Power Supply Company Limited, Sangam Power Generation Company Limited, Prayagraj Power Generation Company Limited, MP Jaypee Coal Limited, JPSK Sports Private Limited, Jaypee Ventures Private Limited, Avni Housing Private Limited and Manumanik Estates Private Limited.

Shri Manoj Gaur, holds 41,400 equity shares in his own name in the Company and no share in the Company is held by him for any other person on a beneficial basis.

EXPLANATORY STATEMENT

Following Explanatory Statements, pursuant to the provision of Section 173(2) of the Companies Act, 1956 set out the material facts relating to **item nos. 8 to 12** mentioned in the accompanying notice dated 29th May, 2010.

Item 8

Shri A.K. Goswami was co-opted on the Board of the Company on 12th January, 2010, in the casual vacancy caused due to the sad demise of Shri Gopi K. Arora. Pursuant to the provisions of Section 262 of the Companies Act, 1956, Shri A.K. Goswami holds office upto the date of tenure of Director in whose vacancy he was appointed.

The Company has received a notice in writing alongwith a deposit of Rs. 500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri A.K. Goswami for the office of Director at the forthcoming Annual General Meeting.

Shri A.K. Goswami, aged about 66 years, IAS (Retd), holds a Degree in B.E. (Mech. Engg.). He has held key positions in Central/State Govt. including that of Secretary, Ministry of Water Resources, Secretary, Drinking Water, Ministry of Rural Development and Secretary to Govt. of Himachal Pradesh, Chairman, Himachal Pradesh States Electricity Board and Secretary, Power, Govt. of Himachal Pradesh. Shri A.K. Goswami was Chairman, Board of Industrial & Financial Reconstruction (BIFR) till 31st October, 2008.

Shri A.K. Goswami is on the Boards of Steel Authority of India Limited, Stone India Limited and JPSK Sports Private Limited.

The Board considers that his appointment as an Independent Director of the Company would be in the best interest of the Company.

Shri A.K. Goswami, does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

None of the Directors, except the appointee himself, is interested in the Resolution.

The Board commends the Resolution for approval of the Members.

Item 9

Shri R.N. Bhardwaj was appointed as additional Director w.e.f. 12th January, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing alongwith a deposit of Rs. 500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri R.N. Bhardwaj for the office of Director at the forthcoming Annual General Meeting.

Shri R.N. Bhardwaj, aged about 65 years, holds a Post-Graduate Degree in Economics from the Delhi School of Economics and a Diploma in Industrial Relations and Personnel Management from Punjabi University, Patiala. He has over 39 years of experience with the Life Insurance Corporation of India and has served in various positions including as Managing Director and Chairman of Life Insurance Corporation of India. Shri Bhardwaj has also served as a Member of the Securities Appellate Tribunal.

Shri R.N. Bhardwaj is also on the Boards of Jaiprakash Associates Limited, Jaypee Infratech Limited, SREI Ventures Capital Limited, Religare Trustee Company Limited, Indian Railway Catering & Tourism Cooperation Limited, Money Matters Financial Services Limited, Microsec Financial Services Limited, Reliance Infratel Limited, Milestone Capital Advisors Limited, IIT Insurance Broking and Risk Management Private Limited, Singhi Advisors Private Limited, IL & FS Milestone Realty Advisor Private Limited, Samvridhi Advisors Private Limited, Lanco Kondapalli Power Private Limited, Invent Asset Securitization and Reconstruction Private Limited, Milestone Religare Investment Advisors Private Limited, Capstone Capital Services Private Limited and Money Matters Securities Private Limited.

The Board considers that his appointment as an Independent Director of the Company would be in the best interest of the Company.

Shri R.N. Bhardwaj, does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

None of the Directors, except the appointee himself, is interested in the Resolution.

The Directors commend the Resolution for approval of the Members.

Item 10

Shri S.C. Bhargava was appointed as additional Director w.e.f. 12th January, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing alongwith a deposit of Rs. 500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri S.C. Bhargava for the office of Director at the forthcoming Annual General Meeting.

Shri S.C. Bhargava, aged about 64 years, holds a Bachelor's Degree in Commerce from the University of Delhi. He is also a fellow member of the Institute of Chartered Accountants of India. He has over 36 years of experience that encompasses investments, treasury management, finance, accounts and inspection and has held senior position in Life Insurance Corporation of India from 1967 to 2005 including as Executive Director (Investments).

Shri S.C. Bhargava is also on the Boards of Jaiprakash Associates Limited, Jaypee Infratech Limited, Aditya Birla Nuvo Limited, Escorts Limited, DCM Shriram Consolidated Limited, Swaraj Engine Limited, Mudra Lifestyles Limited, A.K. Capital Services Limited, Cox & Kings India Limited, Escorts Construction Equipment Limited, Max Mobile Communications Limited, OTC Exchange of India and G.K. Industrial Park Private Limited.

The Board considers that his appointment as an Independent Director

of the Company would be in the best interest of the Company.

Shri S.C. Bhargava, does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

None of the Directors, except the appointee himself, is interested in the Resolution.

The Board commends the Resolution for approval of the Members.

Item 11

Shri Suren Jain was appointed as additional Director w.e.f. 12th January, 2010. Shri Suren Jain was also appointed as Managing Director and Chief Financial Officer from the said date. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing alongwith a deposit of Rs. 500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri Suren Jain for the office of Director at the forthcoming Annual General Meeting.

Shri Suren Jain, aged about 39 years, holds a Bachelor's Degree in Production Engineering from Marathwada University, Aurangabad and has over 17 years of experience in Corporate Planning, Corporate Finance and Management. He has worked in various capacities across varied businesses within the Jaypee Group, including, construction of the Indira Sagar and Sardar Sarovar Dams and the commissioning of the Jaypee Group's hotel projects in Mussoorie and Agra. He was also Director (Corporate) of JAL and part of the senior management team responsible for the formulation and implementation of business strategies relating to JAL's Power and Energy businesses.

Shri Suren Jain is also on the Boards of Jaypee Karcham Hydro Corporation Limited, Prayagraj Power Generation Company Limited, Sangam Power Generation Company Limited, Jaypee Powergrid Limited, Bina Power Supply Company Limited, Jaypee Petroleum Company Pvt. Ltd., Jaypee Hydro-Carbons Pvt. Ltd., Jaypee Ventures Private Limited, Hicon Packagings Private Limited, Jaypee Mining Ventures Pvt Ltd. and SHEL Investments Consultancy Private Limited.

The Board considers that his appointment as Director of the Company would be in the best interest of the Company.

Shri Suren Jain, holds 4,500 equity shares in his own name in the Company and no share in the Company is held by him for any other person on a beneficial basis.

None of the Directors, except the appointee himself, is interested in the Resolution.

The Board commends the Resolution for approval of the Members.

Item 12 (i)

The Company's 300 MW Baspa-II and 400 MW Vishnuprayag Plants have been operating quite satisfactorily. The Company decided to leverage its secure and steady stream of future cash flows to raise additional resources by securitization of receivables of both the Plants for the undermentioned uses:

- (a) Funding of new and on-going projects of the subsidiaries/ associate companies, namely Jaypee Karcham Hydro Corporation Limited (1000 MW Hydro Electric Power), Jaypee Powergrid Ltd. (Setting up of Transmission System), Karchana (1980 MW Thermal Power) and Bara(3300 MW Thermal Power) projects.
- (b) To retire the outstanding Rupee Term Loans of respective power plants along with prepayment premium, as applicable

Further, consequent to amalgamation of erstwhile Jaiprakash Power Ventures Ltd. with the Company, the Company is implementing 1320 MW Jaypee Nigrie Super Thermal Power Project in

District Singrauli, Madhya Pradesh, the Project Cost of which is Rs. 8100 crore to be financed through Debt Equity ratio of 70:30 viz. Rs. 5670 crore Debt component and balance Rs. 2430 crore equity component. Entire debt has been tied up and the documentation has been completed. In order to secure the interest of Lenders of Baspa-II Plant, Vishnuprayag Plant, the Nigrie Project, ICICI Bank Ltd for its Rupee Term Loan of Rs.1000 crores and IDBI Bank Ltd. for its Bank Gurantee/Letter of Credit Limit of Rs. 100 crores, creation of mortgage/charge is required on immovable and movable properties of the Company, wheresoever situate, present or future.

Section 293(1)(a) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a public company shall not, without the consent of members of such public company in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole, or substantially the whole of any such undertakings.

Since the mortgaging and/or charging by the Company of its immovable and movable properties, as aforesaid, in favour of the aforesaid Financial Institutions/Bank/Trustee may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the consent of Members by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge. The securities/mortgages to be created by the Company aforesaid shall rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company and as may be agreed to between the Company and the concerned Lenders.

None of the Directors of the Company except the nominees of IDBI and LIC, is in any way concerned or interested in the resolution.

The Board commends the Resolution for approval of the Members.

Item 12 (ii)

To meet the requirement of funds of its ongoing projects and capital expenditure of its subsidiaries/associate companies, the Company had privately placed with ICICI Bank Ltd. 14049 Zero Coupon Secured Redeemable Non-Convertible Debentures (NCDs) of Rs. 10,00,000/- each against subscription amount of Rs. 999.98 crores which had been duly received. IDBI Trusteeship Services Ltd. (ITSL) is acting as Debenture Trustee in respect of the aforesaid NCDs.

The said NCDs are to be secured by creation of mortgage and/or charge in favour of ITSL (Trustees)/ICICI Bank Ltd. (Lender) as Residual Charge over the entire fixed assets of the Company, present or future, wherever situated.

Section 293(1)(a) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a public company shall not, without the consent of members of such public company in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole, or substantially the whole of any such undertakings.

Since the mortgaging and/or charging by the Company of its immovable and movable properties, as aforesaid, in favour of the aforesaid Financial Institutions/Bank/Trustee may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the consent of Members by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge. The securities/mortgages to be created by the Company aforesaid shall be by way of residual charge on the entire fixed assets of the Company.

None of the Directors of the Company is in any way concerned or interested in the resolution.

The Board commends the Resolution for approval of the Members.

DIRECTORS' REPORT

To,

The Members

The Directors of your Company are pleased to present the fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

AMALGAMATION OF ERSTWHILE JAIPRAKASH POWER VENTURES LIMITED WITH THE COMPANY

The Scheme of Amalgamation of erstwhile Jaiprakash Power Ventures Limited (JPVL) with your Company (formerly known as Jaiprakash Hydro-Power Limited) with effect from 1st April, 2009 (appointed date) was sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla on 20th November, 2009. Further, in terms of Clause 19 of the said Scheme of Amalgamation, the name of your Company was changed from Jaiprakash Hydro-Power Limited to Jaiprakash Power Ventures Limited with effect from 23rd December, 2009 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh.

The amalgamation has enabled creation of an integrated Corporate Structure for Development of Power Business of the Group, achieving economies of scale, operational and managerial efficiency and enhanced resource mobilization capacity required for growth. It would also result in uniform management philosophy, utilization of common pool of talent, flexibility in funding expansion plans and achieving better cash flows substantially enhancing shareholders' value. It would also result in better utilisation of resources and capital and would not only create a stronger base for future growth of the power business but would also result in creating a better and healthier balance sheet facilitating participation in upcoming large power projects. The amalgamation also enhances the competitive strength of the Company to participate vigorously in high growth opportunities available in the Power Sector.

Consequent upon the said amalgamation, the shareholders of erstwhile Jaiprakash Power Ventures Ltd. as on 4th January, 2010, being the Record Date fixed by your Company, were allotted shares by the Company, as per exchange ratio provided in the sanctioned Scheme.

WORKING RESULTS

The working results of the Company for the year under report (after amalgamation of erstwhile Jaiprakash Power Ventures Limited with the Company with effect from the Appointed Date viz. 1st April, 2009) are as under :-

(Rs. in Crores)

	Current Year 31.3.2010	Previous Year 31.3.2009
Gross Revenue	659.42	294.03
Less: Rebate for prompt payments	9.81	5.15
	649.61	288.88
Add: Sale of VERs	41.12	7.79
Add: other income	27.06	21.24
Total Income	717.79	317.91
Profit before Depreciation & Taxation	398.50	212.54
Less : Depreciation	95.10	46.97
	303.40	165.57
Add: Extra-Ordinary items (Net)	-	(4.38)
	303.40	161.19
Less: Provision for taxation	51.85	18.33
Profit after taxation	251.55	142.86

Note: Previous year's figures are in respect of operations of Baspa-II (300 MW) Hydro-Electric Plant only and hence not comparable with Current Year's figures.

CHANGES IN SHARE CAPITAL

Pursuant to sanction of the Scheme of Amalgamation by the Hon'ble High Court of Himachal Pradesh at Shimla:

- The Authorised Share Capital of the transferor company stood merged/clubbed with the Authorised Share Capital of your Company at Rs. 3900 crore and;
- 1,60,46,79,600 equity shares of Rs. 10/- each were allotted on 5th January, 2010 to the shareholders of the transferor company viz. erstwhile Jaiprakash Power Ventures Ltd. in the ratio of 1:3. Upon allotment of equity shares in the above said ratio, the paid up share capital of the Company stands increased to Rs. 2095.68 Crores as on 31st March, 2010.

FOREIGN CURRENCY CONVERTIBLE BONDS

To meet the requirement of funds for on-going projects, your Company raised funds in the International Market by issuance of Foreign Currency Convertible Bonds (FCCBs) aggregating USD 200 Million. Key details as to coupon rate, conversion price etc. in respect of FCCBs issuance are given at para 26 of the Report on Corporate Governance forming part of this Report.

OPERATIONS

The performance of the Company's Plants, Plant availability and the Energy Generation during the year under report was satisfactory. The Plant Availability and Energy Generated during the year under report were as under :

Plant	Plant Availability (%)	Generation (Million Units)
		Net Saleable Energy
BASPA-II (300 MW)	99.83%	1139.03
Vishnuprayag (400 MW)	98.96%	1717.06

The tariff for Baspa-II Plant for the year under report, as per the Multi Year Tariff (MYT) Order dated 30th March, 2009 and in accordance with the Power Purchase Agreement (PPA), works out to Rs. 2.43 per unit. The generation of the energy of Baspa-II plant during the year was 1294.35 MUs including 12% Free Power to Himachal Pradesh State Electricity Board/ Government of Himachal Pradesh, delivered at interconnection point at Jhakri. The Net Saleable Energy during the year was 1139.03 MUs, out of which 1050.06 MUs was Primary Energy and the balance 88.97 MUs was Secondary Energy.

Similarly, the tariff for the year under report for 400 MW Vishnuprayag Plant works out to Rs.2.52 per unit. The total generation including 12% free Power to State Government was 1977.31 MUs. The Net Saleable Energy was 1717.06 MUs out of which Saleable Primary Energy was 1545.88 MUs and Secondary Energy was 171.18 MUs.

NATIONAL AWARD

The Directors are pleased to inform you that Baspa-II Hydro Power Plant has once again been conferred with SILVER SHIELD FOR BEST PERFORMANCE UNDER HYDRO POWER STATION PERFORMANCE AWARD FOR THE YEAR 2008-09 in recognition of its meritorious performance. The award has been instituted by Ministry of Power, Government of India. The award was presented by the Hon'ble Minister of Power at a function organized at Vigyan Bhawan, Maulana Azad Road, New Delhi on 29th January, 2010.

The Directors are also pleased to report that the Company's 400 MW Vishnuprayag Project was awarded FIRST PRIZE IN "EXCELLENCE IN FAST TRACK POWER PROJECT EXECUTION-HYDRO" by Indian Electricals and Electronic Manufacturers Association (IEEMA) Power Awards-2008.

VERIFIED EMISSION REDUCTIONS (VERs)

Baspa-II Plant has sold 3,00,000 VERs during the year for Rs. 7.86 crores. The sale consideration of VERs of Vishnuprayag plant was Rs. 33.28 crores.

TARIFF

Baspa-II

Hon'ble Himachal Pradesh Electricity Regulatory Commission (HPERC) has approved the Tariff for the Baspa-II plant for the Financial Year (FY) 2008-09 to 2010-11 vide its Multi Year Tariff (MYT) Order dated 30th March, 2009. The bills are being paid by HPSEB as per the provisions of MYT Order dated 30th March, 2009.

Vishnuprayag

The final tariff for FY 2009-10 and provisional tariff for 2010-11 for Vishnuprayag Hydro Electric Plant was submitted to Uttar Pradesh Power Corporation Limited (UPPCL) based on capital cost approved by Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC) and the bills are being paid accordingly.

DIVIDEND

In order to conserve resources for meeting the Company's expansion plans/investments in subsidiaries executing thermal and hydro-power plants, the Directors of your Company express their inability to recommend any dividend for the Financial Year 2009-10.

SUBSIDIARY COMPANIES

The strength of subsidiary companies, post amalgamation, stands increased to five as under:-

1. Jaypee Powergrid Limited.
2. Bina Power Supply Company Limited.
3. Jaypee Arunachal Power Limited.
4. Prayagraj Power Generation Company Limited.
5. Sangam Power Generation Company Limited.

The Status of aforesaid subsidiaries is summarised below:

1. Jaypee Powergrid Limited (JPL)

Jaypee Powergrid Limited, a joint venture of Jaiprakash Power Ventures Limited and Power Grid Corporation of India Limited, a Central Government Power Utility Undertaking, is setting up Transmission Line for evacuation of Power from the 1000 MW Karcham Wangtoo Project, being developed by Jaypee Karcham Hydro Corporation Limited, a fellow subsidiary of the Company.

Central Electricity Regulatory Commission has granted Transmission Licence to this subsidiary and other Statutory/Regulatory approvals required for the Transmission Project are in place.

The progress of the Project is satisfactory and is expected to be completed well before the commissioning of the Karcham Wangtoo Project.

2. Bina Power Supply Company Limited (BPSCL)

BPSCL, a wholly owned subsidiary of the Company, is setting up a Coal based Thermal Power Plant of 500 MW (2x250 MW) in the first phase against the total proposed capacity of 1500 MW at Bina, Distt. Sagar, MP. The works on the project are progressing satisfactorily.

The Project (First Phase) has been appraised by the Banks and Financial Institutions with IDBI as the Lead Bank. Debt syndication has been accomplished and Financial Agreements executed in November, 2009. Thus, the Financial closure has been achieved.

While the First Phase of 500 MW is expected to be commissioned in September 2011, the Second Phase of 1000 MW will be commissioned by 2013.

3. Jaypee Arunachal Power Limited (JAPL)

Jaypee Arunachal Power Limited (JAPL), a wholly owned subsidiary of the Company is implementing 2700 MW Lower Siang and 500 MW Hironng H.E. Projects in the State of Arunachal Pradesh. The Company alongwith its associates will hold 89% of the Equity of JAPL and the balance 11% will be held by Government of Arunachal Pradesh.

The Detailed Project Report (DPR) for the Lower Siang Project has been approved by Central Electricity Authority. Accordingly, Phase I (1500 MW) is expected to be commissioned in 2016 and Phase II (1200 MW) is being planned to be commissioned by 2018. The 500 MW Hironng Project is expected to commence operations by 2018.

4. Prayagraj Power Generation Company Limited (PPGCL)

During the year under report, erstwhile JPVL, which was amalgamated into the Company, acquired from UPPCL, Prayagraj Power Generation Company Ltd. which is setting up super critical technology boiler based 3300 MW (5x660 MW) Bara Thermal Power project in Bara Tehsil of Allahabad district. Substantial portion of Land for the Project has been acquired. Order for Boiler Turbine Generator (BTG) has been placed with BHEL and the works have commenced at site. Statutory/Regulatory approvals have been/ are being obtained.

While Phase-I (1980 MW) of this project planned to be commissioned by the year 2014, Phase-II (1320 MW) is expected to be commissioned by 2016.

The works on the project are progressing satisfactorily.

5. Sangam Power Generation Company Limited (SPGCL)

During the year under report, erstwhile JPVL, which was amalgamated into the Company, acquired from Uttar Pradesh Power Corporation Ltd. (UPPCL), Sangam Power Generation Company Ltd. which is setting up super critical technology boiler based 1980 MW (3 x 660 MW) Karchana Thermal Power Project in Karchana Tehsil of Allahabad district. Substantial portion of Land for the Project has been acquired. Statutory/Regulatory approvals have been/ are being obtained.

The project is expected to be commissioned by the year 2014.

The works on the project are progressing satisfactorily.

EXPANSION PLANS

1320 MW JAYPEE NIGRIE SUPER THERMAL POWER PROJECT

As the members are aware, erstwhile JPVL amalgamated into the Company has been implementing 1320 MW (2 X 660 MW) Jaypee Nigrie Super Thermal Power Project in Nigrie, Distt. Singrauli in Madhya Pradesh. Order for Boiler Turbine Generator (BTG) has been placed with L & T. Various Statutory/Regulatory approvals have been/ are being obtained. Entire debt of Rs. 5670 crore has been tied up and financing documents have been executed with the Lenders. An amount of Rs.856 crore has already been incurred on the Project till April, 2010.

The schedule of commissioning for Unit-I and Unit-II is April, 2013 and October, 2013 respectively. The Nigrie Thermal Project is expected to utilize coal from two captive coal blocks, the Amelia (North) and Dongri Tal-II coal blocks with total coal reserves of 250 MT sufficient to fuel the Nigrie Thermal project.

MEGHALAYA H.E. PROJECTS

The Government of Meghalaya (GoM) had assigned the development of 450 MW Kynshi-II Hydro-electric Project and 270 MW Umngot Hydro-electric Project on Build, Own, Operate and Transfer (BOOT) basis to the erstwhile Jaiprakash Power Ventures Ltd., in terms of

two separate Memorandum of Agreements, both executed on 11th December, 2007 with GoM. The Company has taken necessary action for taking over Kynshi-II Project and to start the survey & investigation works at the earliest.

These projects shall be transferred to a Special Purpose Vehicle proposed to be incorporated for implementation of these projects.

240 MW KERALA THERMAL POWER PROJECT

The Company proposes to implement 240 MW Thermal Power Plant in District Kannur in the State of Kerala. 66.4862 hectares of Land has been leased to the Company by Kerala Industrial Infrastructure Development Corporation (KINFRA). Further Steps/approvals are being taken for the implementation of the Project.

CONSOLIDATED FINANCIAL STATEMENTS

A statement under Section 212 of the Companies Act, 1956 in respect of the subsidiaries of the Company is annexed and forms an integral part of this Report. The consolidated financial statements of the Company and its subsidiary companies prepared in accordance with Accounting Standards (AS)-21 "Consolidated Financial Statements" prescribed by the Institute of Chartered Accountants of India, form part of the Annual Report.

In terms of the approval of the Central Government accorded in terms of Section 212(8) of the Companies Act, 1956 vide letter no. 47/504/2010-CL-III dated 17th May, 2010, the Audited Balance Sheets as at 31st March, 2010 in respect of the subsidiaries of the Company have not been attached to the Balance Sheet of the Company. However, the requisite information for each subsidiary has been disclosed. The annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company/subsidiary companies seeking such information.

The annual accounts of the subsidiary companies will also be kept for inspection by any investor at its Corporate Office and that of the subsidiary companies concerned. The Company would furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

The Directors are of the opinion that the subsidiaries of your Company have bright future.

OUTLOOK

Keeping in view the performance of 300 MW Baspa-II and 400 MW Vishnuprayag Hydro Power Plants, the further expansion in Hydro Power (4920 MW) and proposed expansion in the Thermal Power (8340 MW) aggregating to 13260 MW generating capacities under execution by the Company, its associates and subsidiaries, your Company is poised for sustained growth in the Power Sector and the future outlook of the Company is bright.

DIRECTORATE

The Directors of the Company regret to inform the sad demise of Shri Gopi K. Arora on 5th November, 2009. The Company had been benefited a great deal by his wise counsel and experience. The Board acknowledges with deepest admiration the enormous contribution and would always remember his traits of firmness, fairness, wisdom, nobility and enlightenment.

Shri A.K. Goswami was co-opted on the Board with effect from 12th January, 2010 in the casual vacancy caused by the demise of Shri Gopi K. Arora.

During the year under report, post-amalgamation, the Board of the Company was restructured. Shri Sunil Kumar Sharma, Vice Chairman of the Company was designated as Vice Chairman and Chief Executive Officer of the Company with effect from

12th January, 2010. Shri Suren Jain, Managing Director of the erstwhile Jaiprakash Power Ventures Limited was appointed as Managing Director and Chief Financial Officer of the Company with effect from 12th January, 2010. Shri J.N. Gaur and Shri R.K. Narang continued to be the Whole-time Directors of the Company.

Shri S.D. Nailwal resigned from the Directorship of the Company with effect from 11th January, 2010 and Shri Rajiv Bhardwaj & Shri Narendra Singh resigned from the Directorship of the Company with effect from 12th January, 2010.

The Board places on record its appreciation for the contribution of Shri S.D. Nailwal, Shri Narendra Singh and Shri Rajiv Bhardwaj during their respective tenure on the Board. The Board also places on record its appreciation for the contribution of Shri J.N. Gaur and Shri R.K. Narang as Chief Executive Officer and Chief Financial Officer respectively of the Company during the relevant period.

Shri G.P. Gaur, Shri Suresh Chandra, Dr. E.R.C. Shekar, Shri B.B. Tandon and Shri Manoj Gaur would retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

The Resolutions for appointment of Shri A.K. Goswami, Shri R.N. Bhardwaj, Shri S.C. Bhargava and Shri Suren Jain as Directors of the Company have also been included in the Notice for approval of the Members.

CORPORATE GOVERNANCE

Report on Corporate Governance and Management Discussion & Analysis Report, in terms of Clause 49 of the Listing Agreement are annexed and form part of this Annual Report. A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed.

While the Company is complying the Corporate Governance norms laid down in Clause 49 of the Listing Agreement, the Corporate Governance Voluntary Guidelines, 2009, proposed by the Ministry of Corporate Affairs, Government of India, are being examined for adoption in a phased manner.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management, certification by the CEO and CFO to the Board of Directors and after due enquiry, confirm in respect of the audited annual accounts for the year ended 31st March, 2010:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- ii) that the Directors had, in consultation with the Statutory Auditors, 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 for the year ended 31st March, 2010 and the profit of the Company for that period;
- iii) 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;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

DEPOSITS

The Company did not invite/accept any Fixed Deposits from the public during the year under report.

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Companies (Particulars of Employees) (Amendment) Rules, 2002 is annexed to this report and forms integral part of this report.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2010, are annexed and form as integral part to this report.

NOTES ON ACCOUNTS

The observations of Auditors' and Notes on Accounts are self-explanatory.

AUDITORS

M/s. R. Nagpal Associates, Chartered Accountants, Auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

PERSONNEL AND INDUSTRIAL RELATIONS

The industrial relations continued to be cordial. The Directors wish to place on record their sincere appreciation for the contribution of the workers and officers of the Company at all levels.

ACKNOWLEDGEMENTS

The Board places on record its sincere appreciation and gratitude to various Departments and Undertakings of the Central Government, Govt. of Himachal Pradesh, Govt. of Uttarakhand, Govt. of Uttar Pradesh, Govt. of Madhya Pradesh, Govt. of Arunachal Pradesh, Govt. of Meghalaya, HPSEB, CERC, HPERC, U.P. Electricity Regulatory Commission, U.P. Power Corporation Ltd., Kerala Industrial Infrastructure Development Corporation Ltd., Financial Institutions, Banks, Rating Agencies and other authorities for their continued co-operation and support to the Company.

The Board sincerely acknowledges the faith and confidence reposed by the shareholders in the Company.

On behalf of the Board

Place: Noida
Date: 29th May, 2010

MANOJ GAUR
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION IN PURSUANCE OF SUB-SECTION 2A OF SECTION 217 OF THE COMPANIES ACT, 1956 IS GIVEN BELOW :-

Name of Employees, Designation/Nature of Duties, Gross Remuneration (Rs.), Qualification, Age (in years), Total experience (in years), Date of commencement of Employment, Previous Employment

A) Employed throughout the year and in receipt of remuneration aggregating Rs. 2,400,000/- or more

1. Shri Suren Jain, Managing Director & CFO, Rs.78,99,167, BE (Production), 39 years, 17 years, 14th December, 2007, Jaypee Karcham Hydro Corporation Ltd.
2. Shri Jagdishwar Nath Gaur, Whole-time Director, Rs.41,22,276, B.E. (Electrical), 77 years, 45 years, 1st October, 1995, Advisor Jaiprakash Associates Ltd.

3. Shri Raj Kumar Narang, Whole-time Director, Rs.43,58,684, B.E. (Mechanical), 61 years, 39 years, 16th May, 2000, IFCI Ltd.
4. Shri Suresh Chandra, Whole-time Director, Rs.35,92,257, B.E. (Telecommunication), 66 years, 45 years, 11th January, 2008, Jaypee Ventures Ltd.
5. Shri Siddheshwar Sen, President (Thermal), Rs. 27,77,822/-, BE(Electrical), 65 years, 45 years, 1st April, 2008, Jaiprakash Associates Limited
6. Shri Vinod Kumar Jawada, President (Thermal), Rs.26,11,920, B.E. (Electrical), 64 years, 39 years, 1st April, 2008, Jaiprakash Associates Limited.

B) Employed for part of the year and in receipt of remuneration aggregating Rs. 200,000/- or more per month.

1. Shri Suresh Kumar, Executive Chairman & CEO, Rs.77,30,491/-, BE (Civil), 69 years, 48 years, 1st February, 1998, Jaiprakash Associates Limited.
2. Shri Arun Gupta, Whole-time Director, Rs.27,47,679, B.Tech Civil, 69 years, 48 years, 15th December, 2007, Advisor, Jaiprakash Power Ventures Ltd.
3. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha, Whole-time Director, Rs.21,80,516, BE (Civil), 67 years, 45 years, 1st April, 2007, Noida Medicare Centre Limited.

Notes:

1. Gross remuneration includes salary, house rent allowance and other perks like medical reimbursement, leave travel assistance, Company's contribution towards provident fund, etc.
2. The nature of employment of Shri Suren Jain, Shri Jagdishwar Nath Gaur, Shri Raj Kumar Narang and Shri Suresh Chandra is contractual. Shri Suren Jain was appointed as Managing Director and CFO w.e.f. 12th January, 2010. He was also Managing Director of erstwhile Jaiprakash Power Ventures Ltd.
3. None of the above employees is related to Director of the Company.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) CONSERVATION OF ENERGY

Electricity consumption in Power House auxiliaries is mainly for running governor oil and cooling water pumps and for ventilation, air conditioning, operation of gates and lighting purposes, etc. Effective energy conservation measures are being taken in general and also ensuring that electricity consumption in these auxiliaries is kept at the minimum.

Information in Form A, as prescribed for certain industries, is not applicable to the Company.

(B) TECHNOLOGY ABSORPTION

In the Company's BASPA-II and Vishnuprayag hydro power plants, every effort has been made to ensure that the plant corresponds to latest technology. Further, for proper maintenance of the plant, the latest systems and techniques are followed. The nature of the plants do not require any expenditure on Research & Development.

Further, for proper maintenance of the plant, innovative technology is being adopted. No specific expenditure on Research and Development is envisaged for the same.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of Foreign Exchange expenditure and earnings are given in Schedule "Q" - Notes to the Accounts - under Note No.14 (c) & (e).

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

In the fast changing business scenario, good Corporate Governance helps in achieving long term Corporate Goals of enhancing Stakeholders' value. Corporate Governance focuses on commitment to values adhering to ethical business practices. This includes corporate structures, culture, policies and the manner in which the Corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the cornerstone of Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company as a part of Jaypee Group, is committed to attain highest standards of Corporate Governance. The Company's philosophy on Corporate Governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, Financial Institutions, Banks and the Government while maintaining steady focus for creation of wealth for stakeholders on sustainable basis.

2. BOARD OF DIRECTORS

The Board of Directors as on 31st March, 2010 consisted of 20 Directors. As per revised Clause 49 of Listing Agreement, at least one half of the Board should comprise of Independent Directors. The Board of Directors of the Company comprises 10 Independent Directors, besides five Whole-time Directors.

The details regarding the attendance of Directors at the Board Meetings, number of other Directorships and Committee positions held by them in other Companies, as on 31st March, 2010, are given below:

Name & Designation of the Directors	Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 7 held during the year	No. of other Directorships excluding Directorships in Pvt. Companies	Committee Positions	
					Member	Chairman
Shri Manoj Gaur, Chairman	Non-Executive/Non-Independent	Yes	7	13	–	–
Shri Sunil Kumar Sharma, Vice Chairman and Chief Executive Officer	Executive	No	6	13	1	2
Shri Suren Jain, Managing Director and Chief Financial Officer	Executive	NA	1	5	1	–
Shri S.K. Jain	Non-Executive/Non-Independent	No	4	3	–	1
Shri B.K. Taparia	Non-Executive/Independent	Yes	7	3	1	1
Shri B.K. Batra (IDBI Nominee)	Non-Executive/Independent	No	4	3	3	–
Shri B.K. Gupta (LIC Nominee)	Non-Executive/Independent	No	7	–	1	–
Shri A.K. Goswami	Non-Executive/Independent	NA	2	2	2	–
Dr. D.G. Kadkade	Non-Executive/Non-Independent	No	5	–	1	–
Shri G.P. Gaur	Non-Executive/Non-Independent	No	7	–	–	–
Dr. R.L. Gupta	Non-Executive/Independent	No	7	–	–	1
Shri S.C. Bhargava	Non-Executive/Independent	NA	–	11	4	1
Shri R.N. Bhardwaj	Non-Executive/Independent	NA	–	8	4	5
Dr. R. C. Vaish	Non-Executive/Independent	No	6	6	3	–
Shri J. N. Gaur Whole-time Director	Executive	Yes	7	–	1	–
Shri R. K. Narang Whole-time Director	Executive	Yes	7	–	2	–
Shri B. B. Tandon	Non-Executive/Independent	No	4	14	8	1
Shri Suresh Chandra Whole-time Director	Executive	No	7	–	–	–
Shri S. S. Gupta	Non-Executive/Independent	No	7	–	–	–
Dr. E.R.C. Shekar	Non-Executive/Non-Independent	No	5	4	–	2

Notes:

- Shri A.K. Goswami was appointed as a Director on 12th January, 2010 in the casual vacancy of Shri Gopi K. Arora. Shri S.C. Bhargava, Shri R.N. Bhardwaj and Shri Suren Jain were appointed as Additional Directors w.e.f. 12th January, 2010.
- Shri Gopi K. Arora ceased to be Director w.e.f. 5th November, 2009, upon his demise. He attended five Board Meetings.
- Shri S.D. Nailwal resigned from the Board w.e.f. 11th January, 2010. Shri Nailwal attended five Board Meetings. Shri Narendra Singh and Rajiv Bhardwaj resigned from the Board w.e.f. 12th January, 2010. Shri Narendra Singh attended five Board Meetings and Shri Rajiv Bhardwaj attended four Board Meetings.
- Shri Sunil Kumar Sharma, Vice Chairman of the Company was designated as Vice Chairman and Chief Executive Officer of the Company w.e.f. 12th January, 2010. Shri Suren Jain, Managing Director of erstwhile Jaiprakash Power Ventures Ltd. was appointed as Managing Director and Chief Financial Officer of the Company w.e.f. 12th January, 2010.
- Other Directorships of only Indian Public Limited Companies have been considered pursuant to Clause 49 of Listing Agreement.
- Committee positions of only two Committees namely, Audit Committee and Investors'/Shareholders' Grievance Committee have been considered pursuant to Clause 49 of Listing Agreement.
- None of the Directors of the Company is related to any other Director.

8. Number of Equity Shares held by Directors as on March 31, 2010 are tabulated below:-

Sl. No.	Name of Directors	Designation	No. of Equity Shares held
1	Shri Manoj Gaur	Chairman	41400
2	Shri Sunil Kumar Sharma	Vice-Chairman &CEO	-
3	Shri Suren Jain	Managing Director & CFO	4500
4	Shri Sarat Kumar Jain	Director	25925
5	Shri B.K. Taparua	Director	5000
6	Shri B.B. Tandon	Director	-
7	Shri A.K. Goswami	Director	-
8	Shri R.N. Bhardwaj	Director	-
9	Shri S.C. Bhargava	Director	-
10	Shri B.K. Batra	Director (IDBI Nominee)	-
11	Shri B.K. Gupta	Director (LIC Nominee)	-
12	Dr. R.C. Vaish	Director	-
13	Dr. D.G. Kadkade	Director	57100
14	Dr. E.R.C. Shekar	Director	-
15	Dr. R.L. Gupta	Director	12850
16	Shri J.N. Gaur	Whole-time Director	12850
17	Shri R.K. Narang	Whole-time Director	4850
18	Shri Suresh Chandra	Whole-time Director	4850
19	Shri G.P. Gaur	Director	20000
20	Shri S.S. Gupta	Director	-

Notes: In addition to above :

- Shri S.K. Jain holds 400 equity shares jointly with Jaiprakash Associates Ltd. (JAL). The beneficial interest of the said shares is with JAL.
- 74,38,200 equity shares held by Shri Manoj Gaur as Trustee on behalf of Jaypee Group Employees Welfare Trust, who has the beneficial interest in the said shares.

Number of Board Meetings held and dates thereof:

During the financial year 2009-10, seven meetings of the Board of Directors were held. The meetings were held on 7th May, 2009, 3rd July, 2009, 30th July, 2009, 16th September, 2009, 15th October, 2009, 12th January, 2010 and 25th January, 2010. The maximum time gap between two meetings was not more than 4 calendar months.

Information placed before the Board

Information placed before the Board of Directors broadly covered the items specified in Clause 49 of the Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decisions in an informed and efficient manner. Besides, the Directors on the Board have complete access to all information of the Company, as and when becomes necessary.

3. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company.

The Members of the Board and Senior Management personnel have, on March 31, 2010 affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CEO is annexed and forms part of this report.

4. AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee had been constituted by the Board comprising of four Independent Directors, all being Non-Executive and Independent Directors. All the Members of the Committee have knowledge of financial and accounting matters. The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as the Secretary to the Audit Committee.

The constitution of the Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956 (The Act). The terms of reference and powers of the Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and the Act.

Five meetings of the Committee were held during the year i.e. on 7th May 2009, 30th July 2009, 16th September 2009, 15th October 2009 and 12th January 2010.

The Audit Committee, inter-alia, reviews :

- Quarterly, half-yearly and yearly Financial Statements
- Annual Budget and Variance Reports
- Significant related party transactions
- Audit Reports including Internal Audit Reports
- Recommendations for appointment of Statutory Auditors.
- Management discussion and analysis of financial conditions and results of operations

The constitution of the Committee and attendance at the meetings are as under:

Name	No. of Meetings held during the tenure of the member	Number of Meetings attended
Shri B.K. Taparua, Chairman	5	5
Shri B.K. Batra, Member (IDBI-Nominee)	5	3
Shri B.K. Gupta, Member (LIC-Nominee)	5	5
Shri B.B. Tandon, Member	*	*

*Shri B. B. Tandon was co-opted as a member of the Committee on 12th January, 2010 in place of Shri S. D. Nailwal who ceased to be member of the Committee w.e.f. 11th January, 2010.

The Chairman of the Audit Committee attends the Annual General Meeting to answer the shareholders' queries, if any.

5. REMUNERATION COMMITTEE

The Remuneration Committee, constitution of which is a non-mandatory requirement, was constituted by the Board to recommend/review the remuneration package of the Whole-time Director(s). The Remuneration Committee comprises three Independent Directors.

One meeting of the Remuneration Committee was held on 12th January, 2010.

The constitution of the Remuneration Committee and attendance at the meeting are as under:

Name	No. of Meetings held during the tenure of the member	Number of Meetings attended
Shri S.S. Gupta, Chairman	1	1
Shri B.K. Taparua, Member	1	1
Shri B.K. Batra, Member (IDBI Nominee)	1	-

Note :

- Shri Gopi K. Arora ceased to be the Chairman of the Committee w.e.f. 5th November, 2009 upon his demise.
- Shri S. S. Gupta was appointed Chairman of the Remuneration Committee w.e.f. 12th January, 2010.
- Remuneration is paid to Whole-time Directors in the form of Salary and Perquisites.

Details of Remuneration paid to all the Directors for the year:

a) Executive Directors (Managing/Whole-time Directors)

The details of aggregate value of salary and perquisites paid to

Whole-time Directors for the year ended 31st March, 2010 are as under:

Name	Designation	Salary (Rs.)	Perquisites Including P.F. (Rs.)	Total (Rs.)
Shri Suren Jain	Managing Director & CFO	41,25,000	37,74,167	78,99,167
Shri J.N. Gaur	Whole-time Director	22,50,000	18,72,276	41,22,276
Shri R.K. Narang	Whole-time Director	22,50,000	21,08,684	43,58,684
Shri Suresh Chandra	Whole-time Director	18,90,000	17,02,257	35,92,257

Note: Perquisites includes house rent allowance, medical reimbursement, leave travel assistance, company's contribution towards provident fund etc.

b) Non-Executive Directors

During the year under report, the Company has not paid any remuneration to Non-Executive Directors except the sitting Fee @ Rs. 20,000/- per meeting for attending the meetings of the Board of Directors and Committees thereof, held during the Financial Year.

The criteria for payment of sitting fees to Non-Executive Directors is based on the provisions of the Act.

The details of the sitting fee paid to the Non-Executive Directors during the financial year ended 31st March, 2010 are as under :-

Name of the Director	Designation	Total sitting fee paid (Rs.)
Shri Manoj Gaur	Chairman	140000
Shri Sunil Kumar Sharma	Vice Chairman & CEO	120000
Shri Sarat Kumar Jain	Director	160000
Shri B.K. Taparia	Director	280000
Shri S.D. Nailwal*	Director	260000
Shri A.K. Goswami	Director	100000
Shri R.N. Bhardwaj***	Director	-
Shri S.C. Bhargava***	Director	-
Shri B.K. Batra #	Director (IDBI Nominee)	160000
Shri B.K. Gupta	Director (LIC Nominee)	280000
Dr. R.C. Vaish	Director	120000
Dr. D.G. Kadhade	Director	200000
Shri G.P. Gaur	Director	140000
Dr. R.L. Gupta	Director	220000
Shri Rajiv Bhardwaj**	Director	80000
Shri B.B. Tandon	Director	80000
Shri Narendra Singh**	Director	100000
Shri S.S. Gupta	Director	160000
Dr. E.R.C. Shekar	Director	100000

Notes:

1. Sitting Fee represents payment to the Directors for attending meetings of the Board and its Committees thereof.
2. # Sitting Fee was paid directly to IDBI.
3. Shri Gopi K Arora, who ceased to be Director w.e.f. 5th November, 2009, was paid an amount of Rs.1,40,000/- towards sitting fee for attending Board/Committee meetings.
4. *Shri S.D. Nailwal ceased to be Director w.e.f. 11th January, 2010 and as such, the sitting fee represents amount paid upto that date.
5. **Shri Narendra Singh and Shri Rajiv Bhardwaj ceased to be Director 12th January, 2010 and as such, the sitting fee represents amount paid upto that date.
6. ***Shri R.N. Bhardwaj & Shri S.C. Bhargava appointed as Directors w.e.f. 12th January, 2010.

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee comprises Dr. R.L. Gupta (Chairman), Dr. D.G. Kadhade, Shri J.N. Gaur and Shri R.K. Narang as Members. The Committee has been constituted, inter-alia, to consider transfer and transmission of shares, rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates etc. and to look into redressal of shareholders' complaints. During the year, 4 meetings of the Committee were held and the record of attendance of the members is given below.

Name	No. of Meetings held during the tenure of the member	Number of Meetings attended
Dr. R.L. Gupta, Chairman	4	4
Dr. D.G. Kadhade, Member	4	4
Shri J.N. Gaur, Member	4	4
Shri S.D. Nailwal, Member	4	4
Shri R.K. Narang, Member	*	*

*Shri R. K. Narang was co-opted as a Member of the Committee w.e.f. 12th January, 2010 in place of Shri S. D. Nailwal who ceased to be a member w.e.f. 11th January, 2010.

As on 1st April, 2009, there were no pending investors' references. During the year, the Company had received 220 investors' references and all the 220 investors' references were addressed/resolved by 31st March, 2010. Thus, there was no pending investors' reference as on 31st March, 2010.

7. SUBSIDIARY COMPANIES

In view of the amalgamation of erstwhile Jaiprakash Power Ventures Limited with the Company w.e.f. 14th December, 2009 the number of subsidiary companies stands increased to five as under :

S.No.	Name	% Holding
1.	Jaypee Powergrid Limited	74
2.	Bina Power Supply Company Limited	100
3.	Jaypee Arunachal Power Limited	100
4.	Sangam Power Generation Company Limited	100
5.	Prayagraj Power Generation Company Limited	100

The Company has no material non-listed subsidiary companies in terms of Explanation 1 to sub clause III of Clause 49 of the Listing Agreement.

The Audit Committee of the Company reviews the Financial Statement and investments made by the above subsidiary companies. The minutes of the Board Meetings and statement of significant transactions and arrangements entered into by these subsidiaries are also placed at the Board Meetings of the Company.

8. RISK MANAGEMENT

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are regularly apprised regarding key risk assessment and risk mitigation mechanisms.

9. CEO/CFO CERTIFICATION

In terms of the requirements of Clause 49 (v) of the Listing Agreement, Vice-Chairman & CEO and Managing Director & CFO have submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause.

This certificate has been taken on record by the Board of Directors at its meeting held on 29th May, 2010.

10. GENERAL BODY MEETINGS

The details of last three Annual General Meetings are mentioned below :-

Year	2006-07	2007-08	2008-09
Date and Time	27.08.2007 11.00 A.M.	06.08.2008 11.00 A.M.	18.08.2009 11.00 A.M.
Venue of the Meeting	JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.)	JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.)	JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.)

DETAILS OF SPECIAL RESOLUTION(S) PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETING

(A) YEAR 2006-07

No Special Resolution was passed in the Annual General Meeting.

(B) YEAR 2007-08

No Special Resolution was passed in the Annual General Meeting.

(C) YEAR 2008-09

- Resolution under Section 81 (1A) of the Companies Act, 1956 authorizing the Board of Directors to raise funds through FPO/QIP/GDRs/ADRs/FCCBs or any other instrument/Securities, up to an aggregate amount of Rs.1500 crore in Indian Rupees or equivalent in any foreign currency.
- Resolution under Section 21 of the Companies Act, 1956 regarding change of name from Jaiprakash Hydro-Power Limited to Jaiprakash Power Ventures Limited subject to the availability of name and approval of Registrar of Companies.

DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year ended 31st March, 2010, the Company sought approval from its shareholders for passing Special/Ordinary Resolutions through the process of Postal Ballot in accordance with the provisions of Section 192A of the Act read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. The Board of Directors of the Company, at its meetings had appointed Scrutinizer and Alternate Scrutinizer for conducting Postal Ballot in fair and transparent manner. The Postal Ballot forms received were kept in boxes sealed by the Scrutinizers. The declared results of the Postal Ballot were announced through newspaper and were also displayed on the website of the Company, www.jppowerventures.com. Details of the same are given below:

(A) Details of Postal Ballot

S. No.	Particulars	Details/Dates
1	Date of Board meeting	25th January, 2010
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri V. P. Kapoor, FCS, AICWA, LL.B., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Shri Shiv Kumar Gupta, FCS, Practising Company Secretary
4	Date of Notice seeking Shareholders' approval	25th January, 2010
5	Date of completion of Despatch of Notice	5th February, 2010
6	Last Date of receipt of duly filed Postal Ballot Form	10th March, 2010
7	Date of submission of Scrutinizer's report to the Chairman	11th March, 2010
8	Date of declaration of Result	11th March, 2010 at 4.00 P.M.

Particulars of Resolutions Passed

Special :

1.	Raising of funds through QIP/FCCBs/GDRs/ ADRs/FPO etc. pursuant to section 81 (1A) of the Companies Act, 1956.
2.	Alteration of Main Object clause of Memorandum of Association pursuant to Section 17 of the Companies Act, 1956.

Ordinary :

3.	Appointment/Designation of Shri Sunil Kumar Sharma as Vice Chairman & Chief Executive Officer of the Company.
4.	Appointment/Designation of Shri Suren Jain as Managing Director & Chief Financial Officer of the Company.

Voting Pattern

Particulars	Total Votes	Total Valid Votes Cast	Total Valid votes cast in favour of the Resolution	Total Valid votes cast against the Resolution
Resolution 1	209,56,80,200	185,78,98,683	185,77,04,463 99.99%	1,94,220 0.01%
Resolution 2	209,56,80,200	185,78,65,428	185,77,66,397 99.99%	99,031 0.01%
Resolution 3	209,56,80,200	185,78,65,508	185,74,33,017 99.98%	4,32,491 0.02%
Resolution 4	209,56,80,200	185,78,59,457	185,77,49,523 99.99%	1,09,934 0.01%

11. DISCLOSURES

- There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the Notes to Accounts.
- There were no cases of non-compliance by the Company and no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of Financial Statements.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- The Company at present has adopted the non-mandatory requirement in regard to the constitution of Remuneration Committee. The Company has not adopted any formal whistle blower policy. The employees have access to approach the Management or the Audit Committee on any issue.

12. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

A qualified Practising Company Secretary carried out quarterly Secretarial Audit to reconcile the total admitted capital on National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) with the total issued & listed capital. The audit confirmed that the total issued/paid-up capital is in agreement with the aggregate number of shares in physical form and in dematerialized form held with NSDL and CDSL.

13. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results were published in leading Newspapers which included Economic Times, Business Standard, Financial Express and Divya Himachal. The same were

sent to Stock Exchanges and were also displayed on the website of the Company, www.jppowerventures.com.

14. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report (MD&A) forms part of the Annual Report.

15. COMPLIANCE OFFICER:

The Board had designated Shri M.M. Sibbal, General Manager & Company Secretary as Compliance Officer w.e.f. 12th January, 2010, in place of Shri R.S. Kuchhal.

Address : Sector-128, Noida-201 304 (U.P.)
e-mail : mm.sibbal@jalindia.co.in
Phone : +95-120-4609355
Fax : +95-120-4609464

16. GENERAL SHAREHOLDERS' INFORMATION

15th Annual General Meeting

Day : Friday
Date : 24th September, 2010
Time : 11.00 A.M.
Venue : JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173 215, Distt. Solan (H.P.)

Dates of : 18th September, 2010 to 24th September, 2010.
Book Closure (both days inclusive).

17. FINANCIAL CALENDAR

Details of announcement of Financial Results for different periods during the year 2009-2010 are as under:

Results	Announced on
For 1st Quarter ended on 30-06-2009.	30th July, 2009
For 2nd Quarter ended on 30-09-2009.	15th October, 2009
For 3rd Quarter ended on 31-12-2009.	12th January, 2010
For the year ended on 31-03-2010 (Audited)	29th May, 2010

The Financial Results were reviewed by the Audit Committee and thereafter approved by the Board.

18. DIVIDEND PAYMENT DATE

During the year, the Board has not declared/recommended any dividend.

19. LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are listed on the National Stock Exchange of India Ltd. and The Bombay Stock Exchange Ltd. The Company has paid annual listing fees due to the above Stock Exchanges for the year 2010-2011.

10%-1740 Non-Convertible Debentures of Rs.10 lac each privately placed with Axis Bank Ltd. have been listed on The Bombay Stock Exchange Ltd.

0%-14049 Letter of Allotment issued in respect of Non-Convertible Debentures of Rs.10 lac each privately placed with ICICI Bank Ltd. In-principle approval from The Bombay Stock Exchange Ltd., has been received.

FCCBs issued by the Company are listed on Singapore Stock Exchange.

Stock Code

The stock code of the shares listed on the Stock Exchanges, are as under:

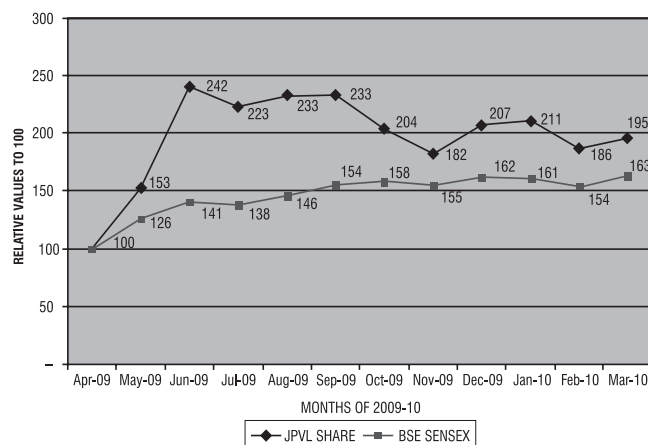
Name of Stock Exchange	Code
Bombay Stock Exchange Ltd. (BSE)	532627
National Stock Exchange of India Limited (NSE)	JPOWER
ISIN No.	INE351F01018

20. Market Price Data and performance in comparison to BSE -Sensex

The high and low of the share price of the Company during each month in the last financial year at NSE, BSE and BSE Sensex were as under :-

Month	Share Price at BSE(Rs.)		Share Price at NSE(Rs.)	
	High	Low	High	Low
Apr, 09	43.00	28.65	43.50	28.55
May, 09	71.80	38.00	71.85	38.00
Jun, 09	103.70	69.35	103.70	69.25
Jul, 09	95.80	64.30	99.75	64.30
Aug, 09	90.50	76.65	90.50	76.60
Sep, 09	86.70	80.00	86.90	80.10
Oct, 09	83.80	62.55	83.70	62.30
Nov, 09	76.60	54.10	76.70	53.75
Dec, 09	78.60	70.05	78.60	71.30
Jan, 10	84.00	67.10	84.00	67.05
Feb, 10	72.40	61.15	72.10	62.00
Mar, 10	73.85	66.15	73.80	66.05

JPVL SHARE PERFORMANCE vs BSE SENSEX



Note: Average of high & low of BSE Sensex and average of high & low of Company's shares at BSE has been considered.

21. REGISTRAR AND TRANSFER AGENTS:

The details of Registrar & Transfer Agent appointed by the Company are as under:

Alankit Assignments Limited
Alankit House, 2E/21, Jhandewalan Extn., New Delhi 110 055
Phone : 91-11-42541234, 23541234
Fax : 91-11-23552001
Website : www.alankit.com
E-mail address: info@alankit.com
E-mail ID of the Company for redressal of
Investors' Complaints: jpvl.investor@jalindia.co.in

22. SHARE TRANSFER SYSTEM

The Board of Directors has delegated the power of re-materialisation of shares, transfers and transmission, splitting/consolidation of share certificates and issue of duplicate share certificates etc. to Shareholders'/Investors' Grievance Committee comprising Dr. R.L. Gupta, Chairman, Dr. D.G. Kadkade, Shri J.N. Gaur and Shri R.K. Narang, Members.

23. DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on 31st March, 2010, was as follows:

Share Holding of nominal value (Rs.)	Shareholders		Shares	
	Number	% to Total	Number	% to Equity
Upto 5,000	307491	86.522	50361983	2.403
5,001-10,000	24424	6.872	20206124	0.964
10,001-20,000	14846	4.177	21987913	1.049
20,001-30,000	3899	1.097	9905337	0.473
30,001-40,000	1392	0.392	4959721	0.237
40,001-50,000	1054	0.297	4980405	0.238
50,001-1,00,000	1387	0.39	10089427	0.481
1,00,001 and above	898	0.253	1973189290	94.155
TOTAL	355391	100.000	2095680200	100.000

Category wise Shareholding

Held by :	% holding
Promoter and Promoter Group	87.70
Banks/Mutual Funds/FI/FIIs	3.91
NRIs	0.09
Indian Public	8.30
Total	100.00

Note : For the purpose of Regulation 3[e][i] of the Securities and Exchange Board of India [Substantial Acquisition of Shares and Takeovers] Regulations, 1997, the "Group" constitute Shri Jaiprakash Gaur, his associates and Companies as disclosed to Stock Exchanges which include Jaiprakash Associates Limited (JAL), its Subsidiaries, its Associates, Jaypee Ventures Private Ltd. and other companies namely, Siddharth Utility Private Limited, Ironwill Holdings Private Limited, Ironwill Investments Private Limited etc.

24. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on 31st March, 2010, only 30970 Shares are held by the shareholders in physical form and rest are in dematerialized form. The shares of the company are in 'Futures and Options' segment on NSE & BSE and are actively traded.

25. UNCLAIMED DIVIDENDS

Pursuant to Section 205C of the Companies Act, 1956, there were no unclaimed dividends to be transferred to the Investors Education and Protection Fund of the Central Government during the year.

26. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The company has issued Foreign Currency Convertible Bonds (FCCBs) during the Financial Year.

The details of FCCBs issued by the Company are as under:

S.No.	PARTICULARS	FCCB
1	Aggregate Value	USD 200 Million
2	Date of Issue	12.02.2010
3	Due on	13.02.2015
4	Applicable Interest Rate	5% on semi annual basis
5	Pre-agreed Conversion price per share	Rs. 85.8139
6	Pre-agreed Conversion rate	Rs.46.14 per USD
7	FCCBs Outstanding as on March 31, 2010	USD 200 Million
8	No. of shares of Rs. 10/- each to be issued upon conversion of outstanding FCCBs, if opted by the holder thereof	10,75,35,040

27. PROJECT/PLANT LOCATIONS

The Project/Plants of the Company are at the following Location/ State:

PROJECT/PLANT NAME	LOCATION/STATE
300 MW Jaypee Baspa Hydro Power Plant	Himachal Pradesh
400 MW Jaypee Vishnuprayag Hydro Power Plant	Uttarakhand
1320 MW Jaypee Nigrie Super Thermal Power Project	Madhya Pradesh

28. ADDRESS FOR CORRESPONDENCE

Company's address:

Registered Office : JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat- 173 215,
Distt. Solan (H.P.)

Corporate Office : Sector-128, Noida-201 304 (U.P.)
Distt. Gautam Budh Nagar.
E-mail: jpv.investor@jalindia.co.in

Head Office : 'JA Annexe', 54, Basant Lok, Vasant Vihar
New Delhi 110 057

Registrar & Transfer : Alankit Assignments Limited

Agent's Address : Alankit House, 2E/21
Jhandewalan Extn., New Delhi 110 055
Tel.:91-11-42541234
Fax:91-11-42541883
E-mail : info@alankit.com

29. ELECTRONIC CLEARING SERVICE (ECS):

The Company avails ECS facility for distribution of dividend in Metropolitan cities in respect of those Shareholders who have opted for payment of Dividend through ECS.

30. NON-MANDATORY REQUIREMENTS

The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in paragraph 5 of this Report.

As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in diverse fields. They keep themselves abreast with the latest developments in the field of Management. Technology and Business Environment through various symposiums, seminars, etc.

The Company uploads its Quarterly, Half Yearly and Annual Results on its web site – www.jpventure.com which is accessible to all. The results are also reported to Stock Exchanges and published in English and in Hindi National Newspapers having wide circulation.

The Company believes in maintaining its Accounts in a transparent manner and aims at receiving unqualified report of Statutory Auditors' on the financial statements of the Company. During the year under review, there is no audit qualification in its financial statements.

DECLARATION BY THE VICE CHAIRMAN & CEO UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the year ended March 31, 2010.

Place: Noida
Date: 29th May, 2010

SUNIL KUMAR SHARMA
Vice Chairman & CEO

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of Jaiprakash Power Ventures Limited
We have examined the compliance of conditions of Corporate Governance by Jaiprakash Power Ventures Limited for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
We state that no investor grievance is pending for a period exceeding one month against the Company.
We further 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 **R. NAGPAL ASSOCIATES**
Chartered Accountants
R. Nagpal
Partner
M.No.81594
Firm Regn. No. 002626N

Place: Noida
Date: 29th May, 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(forming part of the Directors' Report for the year ended 31st March, 2010)

Industry structure and developments:

Electricity is the prime mover of growth and is vital to the sustenance of a modern economy. The projected growth of the Indian Economy depends heavily on the performance and growth of the power sector. It is the endeavour of the Government to ensure that agriculture, industry, commercial establishments and households receive uninterrupted supply of electricity at affordable rates.

The power industry in India has historically been characterised by energy shortages with demand for electricity far exceeding the supply. The continued growth of the Indian Economy has accelerated the need for further investments in the power sector. The Government of India has identified the power sector as a focus sector to sustain industrial growth.

According to CEA Report titled "Load Generation Balance Report for the Year 2010-11, during the year 2009-10, though the total ex-bus energy availability increased by 8.0% over the previous year and the peak increased by 7.5%, the shortage conditions prevailed in the country both in terms of energy and peaking availability are as given below:-

	Energy (MU)	Peak (MW)
Requirement	830,594	119,166
Availability	746,644	104,009
Shortage	83,950	15,157
(%)	10.1%	12.7%

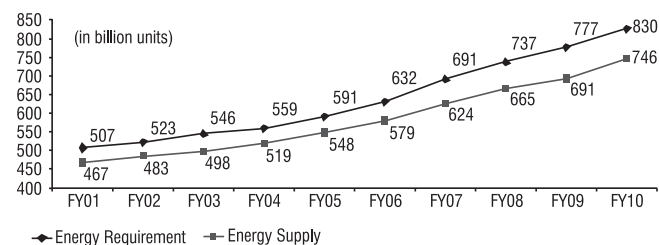
Further, for the period April to May 2010, the demand for electricity exceeded the supply by 13% (peak deficit 14.30%). The total energy shortage during the said period has been 19,442 MU.

The following table sets forth the peak and total shortages of power in India from 2001 to 2010:

Fiscal Year	Peak Demand				Energy Requirement			
	Demand (MW)	Availability (MW)	Deficit (MW)	%	Requirement (MU)	Availability (MU)	Deficit (MU)	%
2001	78,037	67,880	10,157	13	507,216	467,400	39,816	7.8
2002	78,441	69,189	9,252	12	522,537	483,350	39,187	7.5
2003	81,492	71,547	9,945	12	545,983	497,890	48,093	8.8
2004	84,574	75,066	9,508	11	559,264	519,398	39,866	7.1
2005	87,906	77,652	10,254	12	591,373	548,115	43,258	7.3
2006	93,255	81,792	11,463	12	631,554	578,819	52,735	8.4
2007	100,715	86,818	13,897	14	690,587	624,495	66,092	9.6
2008	108,866	90,793	18,073	17	737,052	664,660	72,392	9.8
2009	109,809	96,785	13,024	12	777,039	691,038	86,001	11
2010	119,166	104,009	15,157	12.7	830,594	746,644	83,950	10.1

Source: Ministry of Power Annual Report 2008-09

The following graph shows the gap between demand for and supply of energy in India from Fiscal Year 2001 to Fiscal Year 2010:



Note: * Annualised for the year-ending Mar 31

Source: CEA Power supply position and peak demand/ peak met (provisional report for Dec 2009)

It is anticipated that by the year 2012, India's peak demand will be 152,746 MW with total energy requirements of 969,000 million units.

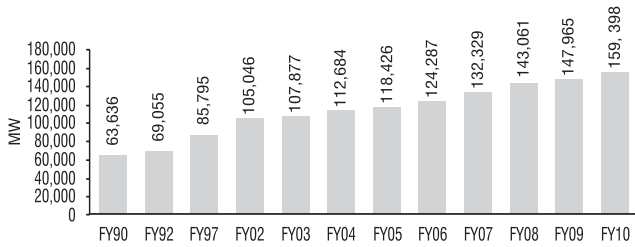
Indian Electricity Demand

Demand for energy grows in tandem with the growth of the economy. This can be seen from the following table, which shows the growth in real GDP from FY03 to FY09 and the growth in demand for energy in the same period.

	Real GDP growth	Growth in demand for energy
FY 2003	3.84%	4.40%
FY 2004	8.52%	2.38%
FY 2005	7.47%	5.72%
FY 2006	9.52%	6.94%
FY 2007	9.75%	9.34%
FY 2008	9.01%	6.95%
FY 2009	6.70%	4.74%
FY 2010	7.40%	7.23%

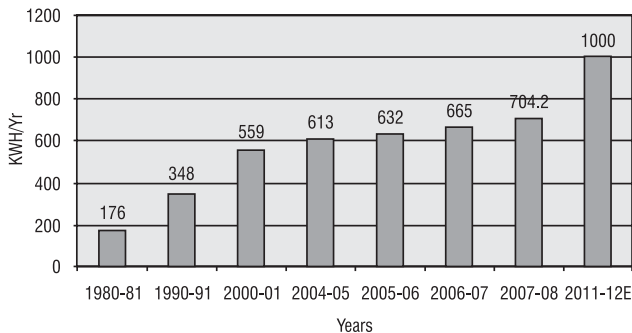
Source: CEA, Power Scenario at a Glance, May 2009 and Annual and Quarterly Estimates of GDP at Current Prices, Base Year 1999-2000, MOSPI

Since independence, there has been a sizeable growth in the power sector as at the time of independence the generating capacity in the country was only 1,362 MW which has since increased to 156,092 MW as on December 31, 2009 (Source: Monthly Review of the Power Sector, (Executive Summary) CEA, Dec 2009). The following graph presents the growth of installed capacity generation in India since financial year 1990:



Source: CEA, December 2009

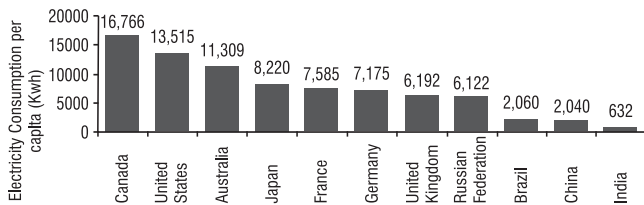
Despite the rapid increase in population over this period of time, the per capita consumption has increased from a mere 15 kWh/Year in Fiscal Year 1950 to 632 kWh/Year in Fiscal Year 2006 and to 04.2 kWh/Year in Fiscal Year 2008, and is expected to be 1,000 kWh/Year by Fiscal Year 2012. The following graph depicts the per capita consumption of electricity in India since Fiscal Year 1981:



Source: Hydro Power Policy, MoP 2008 and Monthly Review of the Power Sector, (Executive Summary), CEA, May 2009

Low Per Capita Consumption of Electricity

Due to inadequate supply and distribution infrastructure, the per capita consumption of energy in India is extremely low in comparison to most other parts of the world. The following chart shows per capita electricity consumption of energy in 2006 in various developed and developing countries.



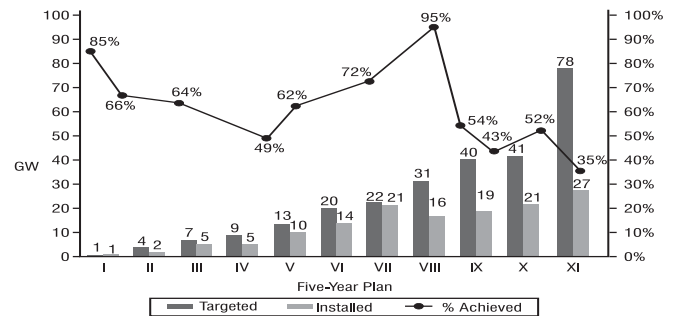
(Source: IEA, Key World Energy Statistics 2008)

Historical Capacity Additions

The energy deficit in India is a consequence of slow progress in the development of additional energy capacity. The Indian economy is based on planning through successive five year plans ("Five-Year Plans") that set out targets for economic development in various sectors, including power sector. In the implementation of the last three Five-Year Plans (the Eighth, Ninth, and Tenth Five-Year Plans, covering Fiscal Years 1992 to 2006), less than 50 percent of the targeted additional energy capacity was added. India added an average of approximately 20,000 MW to its energy capacity in each of the Ninth and Tenth Five-Year Plan periods (Fiscal Years 1997 to 2001 and 2002 to 2006). (Source: White Paper on Strategy for Eleventh Plan, prepared by CEA and Confederation of Indian Industry).

The following chart sets forth the targeted energy capacity addition for Five-Year Plans, the installed capacity actually achieved at the end of those Five-Year Plans and the installed capacity actually achieved

as a percentage of the targeted capacity additions for each of those Five-Year Plans:



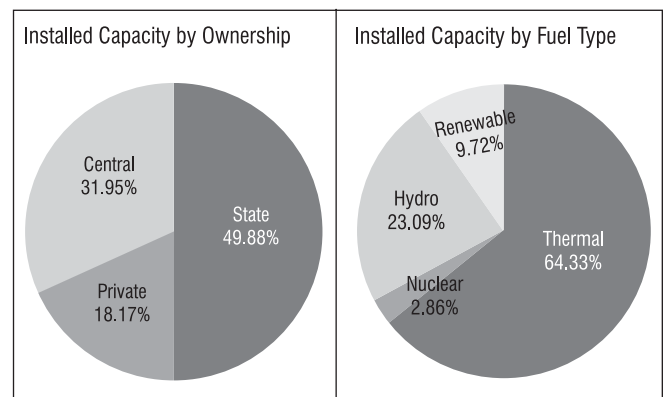
(Source: The white paper and growths of installed capacity since 6th plan) Monthly Review of Power Sector-Executive Summary.

The total capacity addition during the past 25 years between the VIth and the Xth Five-Year Plans was approximately 91,000 MW. A total capacity addition of 78,577 MW is planned for the XIth Five-Year Plan (2007-12) which should result in substantial investments in the power generation sector. The incremental increase of 27GW is upto 30th April, 2010.

Installed Generation Capacity by Sector and Fuel

The following table and diagrams set forth a summary of India's energy generation capacity as of April 30, 2010 in terms of fuel source and ownership:

	(MW)						Total
Sector	Hydro	Coal	Gas	Diesel	Nuclear	Renewable	
STATE	27,065	45,227	4,046	603	0	2,701	79,642
%age	16.95%	28.33%	2.53%	0.37%	0.0%	1.7%	49.88%
PRIVATE	1,233	8,056	6,308	597	0	12,820	29,014
%age	0.77%	5.04%	3.95%	0.37%	0.0%	8.03%	18.17%
CENTRAL	8,565	31,165	6,702	0	4,560	0	50,992
%age	5.36%	19.52%	4.2%	0.0%	2.86%	0.0%	31.95%
TOTAL	36,863	84,448	17,056	1,200	4,560	15,521	159,648
%age	23.09%	52.89%	10.68%	0.75%	2.86%	9.72%	100.0%



Source: Monthly Review of the Power Sector, (Executive Summary) CEA, Nov 2009

The Central and State Governments together own and operate over 82.3 percent of the installed power capacity in India. The private sector has historically been reluctant to enter the market for power plants because of onerous governmental regulations on the construction and operation of power plants and sourcing of fuel for such plants. The participation of the private sector has however been increasing over time owing to power sector reforms.

Thermal power plants account for over 63.9 percent of India's installed capacity, within which over 82.0 percent of the capacity is accounted for by coal based plants, on total available thermal capacity, as of May 31, 2009. (Source: CEA "Power Scenario at a Glance", May 2009)

Future Capacity Additions

According to the CEA Executive Summary, as on May 31, 2009, India has an installed generation capacity of 149,111.2 MW that has increased at a compound annual growth rate ("CAGR") of 4.5 percent between 2003 and 2009. A key risk to the continued growth of the Indian economy is inadequate infrastructure. Infrastructure investment in India is on the rise, but growth may be constrained without further improvements. The Government of India has identified the power sector as a key sector of focus to promote sustained industrial growth by embarking on an aggressive mission—"Power for All" by 2012 backed by extensive reforms to make the power sector more attractive for private sector investment. According to the Integrated Energy Policy ("IEP") report of August 2006 issued by the Planning Commission, India would require additional capacity of about 71-84 GW by 2012, 157-188 GW by 2017 and 276-339 GW by 2022, respectively, based on normative parameters in order to sustain a 8-9 percent GDP growth rate (Source: IEP, Expert Committee on Power). The following table sets forth the additional capacity required by 2012, 2017 and 2022 under different GDP growth rate scenarios:

	Assumed GDP Growth (%)	Electricity Generation Required (BU)	Peak Demand (GW)	Installed Capacity (GW)	Capacity Addition Required (1) (GW)
By FY 2012	8.0	1,907	158	220	64
	9.0	1,167	168	233	77
By FY 2017	8.0	1,524	226	306	150
	9.0	1,687	250	337	181
By FY 2022	8.0	2,118	323	425	269
	9.0	2,438	372	488	332

Note: (1) Based on current existing capacity of 156GW (as on 31 Dec 2009) in India
 Source IEP report, Expert Committee on Power

The likely capacity addition during the 11th Five-Year Plan is 78,700 MW. (Source: CEA, "Power Scenario at a Glance", May 2009)

Given India's large coal reserves, coal is expected to continue to dominate as a source of fuel for power plants in India. India has the fourth largest coal reserves in the world. However, in the past there were restrictions on the entry of private sector players into coal mining, which had caused India's coal production to remain low in comparison to its reserves. These restrictions have now been removed and private participation is allowed in coal mining. The total coal production for the Fiscal Year 2005 was 377.27 million tonnes and for April-December 2005 was 282.43 million tonnes. The total geological coal reserves of India have been estimated at 253.30 billion tonnes as of January 1, 2006. (Source: Ministry of Coal)

In 2004, the Government of India set up a Committee on Coal Sector Reforms that led to several new initiatives being launched to encourage coal-based independent power plants in the country. These have increased the prospects of coal blocks being allotted to various private sector entities. Coal is already the key contributor to India's energy scenario with 55.0 percent of the current total commercial energy needs being met by coal. Given India's large coal reserves and favourable policy outlook, coal is expected to continue to be the dominant source of energy for India and play a major role in sustaining India's economic growth.

Ultra Mega Power Projects

With the aim of meeting India's significant power requirements, the Government of India has proposed the construction of nine Ultra Mega Power Projects ("UMPPs"). The award of the projects is based on competitive bidding processes, with the amount of the normalised tariff for 25 years being a significant factor in the selection process. Each of the UMPPs will provide a power generation capacity of

4,000 MW and use coal as fuel. The Government will ensure land and environmental clearances, off-take agreements, payment security mechanisms and also provide for fuel linkages in some cases to ensure efficient implementation of the UMPPs. The UMPPs will be awarded to developers on a BOO basis in which the developer builds, owns and operates the UMPP. The nine UMPPs, with a total power generation capacity of 36,000 MW, are expected to be awarded and built at nine different locations in India over the next seven to eight years.

Organisation of the Power Industry

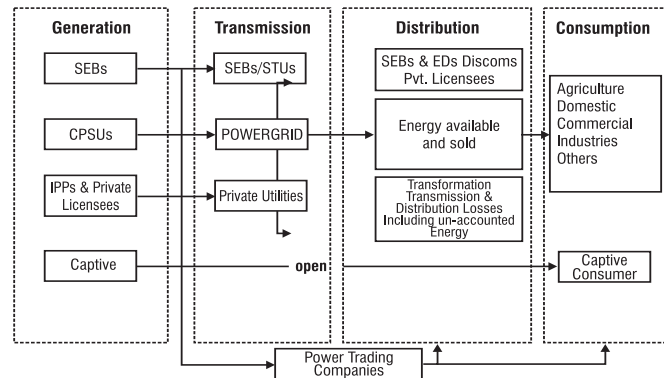
The following diagram depicts the current structure of the Indian power industry:

Key to the diagram:

- CPSUs - Central Public Sector Undertakings
- Discoms - Distribution Companies
- ED - Electricity Department
- IPP - Independent Power Producer
- SEB - State Electricity Board
- STU - State Transmission Units

Transmission and Distribution

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution



networks. The five regional grids, structured on a geographical contiguity basis, facilitate transfer of power from a power surplus state to a power deficit state. The regional grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between the power plants. The regional grids are to be gradually integrated to form a national grid, whereby surplus power from a region could be transferred to another region facing power deficits, thereby facilitating a more optimal utilisation of the national generating capacity.

Most inter-regional and interstate transmission links are owned and operated by the PGCIL though some are jointly owned by the State Electricity Boards ("SEBs"). PGCIL is the central transmission utility of India and possesses one of the largest transmission networks in the world. PGCIL has a pan-India network presence of around 69,480 circuit kms of transmission network, 116 extra high voltage alternation current and high voltage direct current substations, and a total transformation capacity of 77,217 mega volt ampere. About 45 percent of the total generating capacity in India is transmitted through PGCIL's system. (Source: <http://powermin.nic.in> and <http://powergridindia.com>).

PGCIL is working towards establishment of an integrated national power grid, in a phased manner, in order to strengthen the regional grids and to support the generation capacity addition program of about 80,000 MW during the Eleventh Five-Year Plan period. The existing inter-regional power transfer capacity of 17,000 MW is expected to be enhanced to 37,000 MW by 2012 through creation of "Transmission Super Highways". Based on expected generation capacity addition in Xlth Five Year Plan, an investment of approximately Rs.750.0 billion is envisaged in central sector and approximately Rs.650.0 billion is envisaged in the state sector. (Source: <http://powermin.nic.in>)

State grids and distribution networks are primarily owned and operated by the respective SEBs or State Governments (through state electricity departments). State distribution networks are managed at the state level and continue to be affected by high aggregate technical and commercial ("AT&C") losses estimated to be approximately 35 percent, which implies that 35 percent of power entering the system is lost during distribution. (Source: <http://powermin.nic.in>) A direct consequence of the high AT&C losses is the poor financial condition of SEBs, thereby constraining the SEBs from making any meaningful investments in generation and in upgrading the transmission and distribution ("T&D") network.

The Company is comfortably positioned in Power Generation, directly or through its subsidiaries/associates companies and transmission through its subsidiary company.

General

India would need about US\$ 200 billion of investments in the power sector during the next seven years. Implementation of key reforms is likely to foster growth in all segments through the unbundling of vertically integrated SEBs, open access to transmission and distribution networks, privatization of distribution and tariff reforms by regulatory authorities.

On the financial side, Govt. of India has allowed for 100% foreign direct investment (FDI) in generation, transmission and distribution; it has offered tax holidays for block of 10 years in the first 15 years of operation, as well as waiver of capital goods import duties on mega power projects (above 1000 MW generation capacity and selling power to more than one State).

Opportunities and Threats:

The rapid growth in Indian economy would require an exponential growth in the Power generation. It is estimated that per capita consumption of Power per year would increase from 650 KWH in 2006 to 1000 KWH in 2012 growing at a rate of 7.41%. At the same capacity power generation would also increase from 124.31 Thousand MW to 205 Thousand MW. Although generation capacity has grown fairly rapidly during the past two years, it is still well short of the planned targets. Based on Ministry of Power targets, India needs at least another 50,000 MW of generation capacity by 2012. Alongwith generation this has opened up opportunities in the transmission sector as well. In order to encourage private sectors in transmission line business, Govt. of India issued guidelines for private sector participation. If this is to be achieved, it would need multiple initiatives in generation, transmission and distribution, which would provide lot of opportunities to the Company for expanding its activities in the Power Sector.

The companies engaged in generation of Hydro Power are eligible for Verified Emission Reductions (VERs) under the Voluntary Carbon Standard 2007. The Company will be generating revenue from the sale of VERs.

Due to the nature of power business, projects typically require a long gestation period and substantial capital outlay before completion and may take time before positive cash flows can be generated. The time and costs required in completing a project may be subject to increases due to factors including shortage of materials, equipment, fuel availabilities, land acquisition & environment clearance, skilled personnel and labour, adverse weather conditions, natural disasters, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite licenses, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances. From the perspective of power generation projects, it is critical for project specific transmission projects to be set up before the commissioning of the plant to enable timely evacuation of power. This adds another scheduling constraint for the project.

Apart from the normal uncertainties applicable to power project development, the Company does not see any perceptible threat.

Segment-wise or product-wise performance:

The Company is presently generating revenues from plants at BASPA in Himachal Pradesh and Vishnuprayag Hydro-electric Plant at Uttarakhand and thus there is only one segment of revenue activities. However, in near future, the Company would be generating power from Thermal Power too.

Outlook

In view of various new projects being undertaken by the Company, the Company shall be taking strong position in India's power sector in the forthcoming years. The future outlook of the Company is bright.

Risks and Concerns:

The Company's new projects in the hydro power sector carry normal construction and hydrological risks which are associated with hydro power projects. The Company does not see any other perceptible risk in the thermal power project being undertaken by the Company as necessary arrangements have been made by the Company for supply of fuel and requisite environmental clearances have been/ expected to be received.

Internal Control Systems and their adequacy:

The Company has adequate internal control systems commensurate with its size of operations and is manned by qualified and experienced executives.

In addition to internal controls, the internal audit function has also been set up from a firm of Chartered Accountants who conducts audit on the basis of the Accounting Standards and Annual Audit Plan. The process includes review and evaluation of effectiveness of the existing processes, controls and compliances. It also ensures adherence to internal control policies and systems, and mitigation of the operational risks perceived for each area under audit. The Internal Audit Report are reviewed by the Audit Committee.

Financial performance with respect to operational performance:

The financial performance of the Company with respect to operational performance is satisfactory ensuring the Company's commitments of servicing its debts and enhancing the value for Equity Shareholders.

Material developments in Human Resources/Industrial Relations:

The Company recognizes its human resources as its most valued asset. The Company has appointed specialized professionals in the fields of engineering, finance & administration and technical and non-technical staff to take care of its operations and allied activities.

As at 31st March, 2010 the Company had a total workforce of approx. 721 persons, including managers, staff and workers.

Necessary training to the staff for operations and maintenance of the power station was imparted by specialists from related fields including the equipment suppliers.

For the new projects coming up at different locations in the country, appropriate organization structure with benchmarked manning standards has been put in place.

During the year, industrial relations remained cordial.

Cautionary Statement

Statement in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectations of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finished goods prices, changes in Government Regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

AUDITORS' REPORT

TO THE MEMBERS OF
JAIPRAKASH POWER VENTURES LIMITED

(Formerly Known as Jaiprakash Hydro-Power Limited)

We have audited the attached Balance Sheet of JAIPRAKASH POWER VENTURES LIMITED (Formerly Known as Jaiprakash Hydro-Power Limited) as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

We report that:

- (1) As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order') issued by the Central Government of India, in terms of Section 227(4-A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report, are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the 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 in terms of clause (g) of sub-section (1) of

section 274 of the Companies Act, 1956;

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - 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 31st March 2010.
 - iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended 31st March, 2010.

For **R. NAGPAL ASSOCIATES**
Chartered Accountants

Place : Noida
Dated : 29th May, 2010

CA R. NAGPAL
Partner

M.No. 81594
Firm Regn No.002626N

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March, 2010 of JAIPRAKASH POWER VENTURES LIMITED (Formerly Known as Jaiprakash Hydro-Power Limited)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
 - (c) Fixed assets disposed off during the year, are negligible so as to affect the Company as a going concern.
- (ii) (a) The Inventory has been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- (iv) In our opinion, there is an adequate internal control system 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 electrical energy. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and 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 Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to material, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like Provident fund, Income-tax, Customs duty, Cess etc. with the appropriate authorities, and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us the dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty and cess which have not been deposited on account of any dispute are stated hereunder:

Name of Statute (Nature of dues)	Period to which amount relates	Dispute is pending	Total
Income Tax	AY 2007-08	With the Commissioner of Income Tax (Appeal)	Rs. 2.65 Crores

- (x) The company does not have any accumulated losses at the end of the financial year, and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Clause (xiii) of Para 4 of the Order is not applicable.
- (xiv) In our opinion the Company is not dealing in or trading in shares, debentures or other investments. Accordingly, Clause (xiv) of Para 4 of the Order is not applicable.
- (xv) Where the Company has pledged its shares as collateral security for the financial assistance granted by lenders to its Subsidiary Companies and Fellow Subsidiaries, the terms and conditions are not prejudicial to the interest of the company.
- (xvi) In our opinion & according to the information & explanation given to us , the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we find that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, we are of the opinion that 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.
- (xix) According to the information and explanations given to us, the company is under process of creating charge in respect of zero coupon secured debentures issued on 31st March, 2010 (Subscription amount - Rs. 999.98 Crores and Redemption amount of Rs. 1404.90 Crores).
- (xx) During the year the Company has not raised any money by way of public issues. Hence, Clause (xx) of Para 4 of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **R. NAGPAL ASSOCIATES**
Chartered Accountants

Place : Noida
Dated : 29th May, 2010

CA R. NAGPAL
Partner
M.No. 81594
Firm Regn No.002626N

BALANCE SHEET

AS AT 31ST MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCHEDULE	As at 31.3.2010	As at 31.3.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	209,568	49,100
Reserve & Surplus	B	128,213	58,415
DEFERRED REVENUE	C	23,397	7,764
LOAN FUNDS			
Secured Loans	D	411,158	74,117
Unsecured Loans	E	126,300	–
TOTAL SOURCES OF FUNDS		898,636	189,396
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	F	466,085	184,813
Less: Depreciation		59,459	26,402
Net Block		406,626	158,411
Capital Work in Progress		53,195	11
Preoperative Expenses of New Projects (Pending Capitalisation)	G	24,231	–
INVESTMENTS	H	142,096	7,525
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	I	841	490
Sundry Debtors		20,393	12,058
Cash & Bank Balances		240,879	5,034
Other Current Assets		9,250	8,903
Loans & Advances		14,998	9,062
		286,361	35,547
LESS: CURRENT LIABILITIES & PROVISIONS	J		
Current Liabilities		3,870	545
Provisions		10,003	11,553
		13,873	12,098
NET CURRENT ASSETS		272,488	23,449
MISCELLANEOUS EXPENDITURE	K	–	–
TOTAL APPLICATION OF FUNDS		898,636	189,396

Accounting Policies and Notes to the Accounts Q

For and on behalf of the Board

As per our report of even date attached to the Accounts

FOR R. NAGPAL ASSOCIATES

Manoj Gaur

CHARTERED ACCOUNTANTS

Chairman

R. NAGPAL

Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Firm Regn No. 002626N

Place: Noida
Dated: 29th May, 2010

R.K. Porwal
General Manager (F & A)

M.M. Sibbal
General Manager &
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCHEDULE	2009-10	2008-09
INCOME			
Sale of Electrical Energy (Net of advance against depreciation - see note 18 of the Schedule 'Q')		65,942	29,403
Less: Rebate for prompt payments		981	515
Sale of Verified Emission Reduction (VERs)		4,112	779
Other Income	L	2,706	2,124
		71,779	31,791
EXPENDITURE			
Operation & Maintenance	M	3,067	843
Employees Remuneration & Benefits	N	2,155	884
Administration & Other Expenses	O	3,003	616
Interest & Financial Charges	P	23,643	8,194
Miscellaneous Expenditure Written Off		61	-
		31,929	10,537
Operating Profit		39,850	21,254
Depreciation		9,510	4,697
PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		30,340	16,557
Extra ordinary items:			
Add - Refund of interest from PFC for earlier years		-	2,328
Less - Adjustment of Tariff for FY 04 to FY 08		-	(2,766)
			(438)
PROFIT BEFORE TAX		30,340	16,119
Provision for Income Tax - Current Year		5,157	1,826
Provision for Income Tax - Earlier Years		27	-
Provision for Wealth Tax		1	-
Provision for Fringe Benefit Tax		-	7
		5,185	1,833
PROFIT AFTER TAX		25,155	14,286
Add: Profit brought forward from previous year		51,830	48,077
Add: Profit Transferred from Amalgamating Company		10,142	-
Add : Debenture Redemption Reserve Written Back		2,900	-
Less : Reversal of Foreign Exchange Fluctuation for FY 07-08		-	(1,201)
		64,872	46,876
PROFIT AVAILABLE FOR APPROPRIATION		90,027	61,162
APPROPRIATION:			
General Reserve		-	715
Reserve for Premium on Foreign Currency Convertible Bonds		243	-
Debenture Redemption Reserve for the year		32	-
Interim Dividend		-	3,683
Income Tax on Interim Dividend		-	626
Final Dividend		-	3,682
Income Tax on Final Dividend		-	626
		275	9,332
BALANCE CARRIED TO BALANCE SHEET		89,752	51,830
Basic Earning Per Share (EPS), (in Rs.)		1.20	2.91
Diluted Earning Per Share (EPS), (in Rs.)		1.19	2.91

Accounting Policies and Notes to the Accounts

Q

For and on behalf of the Board

As per our report of even date attached to the Accounts

FOR R. NAGPAL ASSOCIATES

Manoj Gaur

CHARTERED ACCOUNTANTS

Chairman

R. NAGPAL

R.K. Narang

Suren Jain

Sunil Kumar Sharma

Partner
M.No. 81594

Director

Managing Director & CFO

Vice Chairman & CEO

Firm Regn No. 002626N

R.K. Porwal

M.M. Sibbal

Place: Noida

General Manager (F & A)

General Manager &

Dated: 29th May, 2010

Company Secretary

SCHEDULES TO BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	As at 31.3.2010	As at 31.3.2009
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised Capital		
390,00,00,000 Equity Shares of Rs. 10/- each (Previous year 50,00,00,000 Equity shares of Rs.10/- each)	<u>390,000</u>	<u>50,000</u>
Issued & Subscribed		
209,56,80,200 Equity Shares of Rs.10/- each (Previous year 49,10,00,600 Equity shares of Rs.10/- each fully paid up) [160,46,79,600 Equity Shares (Previous year Nil) allotted as fully paid-up for consideration other than cash in terms of Scheme of Amalgamation effective from 14.12.2009] (Out of the total, 159,80,00,600 equity shares are held by Jaiprakash Associates Ltd.- the holding company.) (Previous year 31,10,00,600 equity shares of Rs. 10/- each)	<u>209,568</u>	<u>49,100</u>
TOTAL	209,568	49,100
SCHEDULE 'B'		
RESERVE AND SURPLUS		
General Reserve		
Opening Balance	1,785	1,070
Add : Transfer from Profit & Loss Account	-	715
Add : Transfer from Amalgamating Company	<u>3,000</u>	<u>-</u>
	4,785	1,785
Debenture Redemption Reserve		
Opening Balance	4,800	4,800
Add : Provisions for the year	32	-
Add : Transfer from Amalgamating Company	2,900	-
Less : Transfer to Profit & Loss Account on Redemption	<u>(2,900)</u>	<u>-</u>
	4,832	4,800
Share Premium Account:		
Opening Balance		
Add : Transfer from Amalgamating Company	39,299	-
Less: Goodwill Written Off as per Scheme of Amalgamation	<u>10,698</u>	<u>-</u>
	28,601	-
Reserve for Premium on Foreign Currency Convertible Bonds		
Opening Balance	-	-
Add : Provisions for the year	<u>243</u>	<u>-</u>
	243	-
Surplus		
As per Profit & Loss Account	<u>89,752</u>	<u>51,830</u>
TOTAL	128,213	58,415
SCHEDULE 'C'		
DEFERRED REVENUE		
Advance against depreciation		
Opening Balance	7,764	7,056
Add : Transfer from Amalgamating Company	8,103	-
Add: For the year	7,905	2,352
Less : Adjustment of Tariff for FY 04 to FY 08	<u>(375)</u>	<u>(1,644)</u>
	23,397	7,764
TOTAL	23,397	7,764

(Rs. in Lacs)

PARTICULARS	As at 31.3.2010		As at 31.3.2009	
SCHEDULE 'D'				
SECURED LOANS				
(Refer Note 4 to 6 of Schedule Q for Security)				
DEBENTURES:				
Redeemable Non-Convertible Debentures		116,488		19,156
TERM LOANS FROM:				
Financial Institutions	88,783		16,395	
Banks	187,283	276,066	27,039	43,434
FOREIGN CURRENCY LOANS:				
Financial Institutions	10,592		705	
Buyers' Credit	8,012	18,604	10,822	11,527
TOTAL		411,158		74,117

SCHEDULE 'E'
UNSECURED LOANS

Foreign Currency Convertible Bonds (Refer Note 9 of Schedule Q)	90,300	-
Short Term Loans from Banks (Repayable within one year)	35,000	-
From Govt. of Uttarakhand (Non Interest Bearing)	1,000	-
TOTAL	126,300	-

SCHEDULE 'F'
FIXED ASSETS

(Rs. in Lacs)

S.	Particulars	Gross Block				Depreciation					Net Block		
		As at 1.4.2009	Assets Transferred on Amalga- mation	Additions during the Year	Sale / Transfer During the Year	As at 31.03.2010	Upto 31.03.2009	On Assets Transferred on Amalga- mation	For the Year	Sale/ Transfer During the Year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	GOODWILL	-	106,979	-	-	106,979	-	-	10,698	-	10,698	96,281	-
2	LAND												
	Lease hold Land	157	723	108	-	988	23	80	32	-	135	853	134
	Freehold Land	780	796	1,318	-	2,894	-	-	-	-	2,894	780	
3	BUILDING, ROAD & BRIDGES	7,658	7,249	3,150	-	18,057	725	340	236	-	1,301	16,756	6,933
4	HYDRAULIC WORKS	65,474	90,499	30	-	156,003	8,324	6,838	4,227	-	19,389	136,614	57,150
5	TRANSMISSION LINE	23,793	-	-	-	23,793	3,729	-	645	-	4,374	19,419	20,064
6	PLANT AND MACHINERY	86,695	70,740	1,520	2,627	156,328	13,444	5,216	4,335	-	22,995	133,333	73,251
7	FURNITURE & FIXTURES	65	52	51	-	168	28	20	21	-	69	99	37
8	OFFICE EQUIPMENT	61	102	89	-	252	28	29	19	-	76	176	33
9	VEHICLES	130	185	52	16	351	101	32	29	12	150	201	29
10	CAPITAL EXPENDITURE ON ASSETS NOT OWNED BY THE COMPANY	-	269	-	-	269	-	269	-	-	269	-	-
11	INTANGIBLE ASSETS	-	3	-	-	3	-	3	-	-	3	-	-
	TOTAL	184,813	277,597	6,318	2,643	466,085	26,402	12,827	20,242	12	59,459	406,626	158,411
	PREVIOUS YEAR 31.03.2009	172,241	-	12,580	8	184,813	21,712	-	4,697	7	26,402	158,411	-
	CAPITAL WORK IN PROGRESS											53,195	11

Note :

- 1 Depreciation on Assets of Nigrie Thermal Power Project amounting to Rs. 33.49 Lacs (Previous Year 16.03 Lacs) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.
- 2 Goodwill created on amalgamation will be written off over a period of ten years. Refer Note No. 24 of Schedule 'Q'.

SCHEDULE 'G'

PRE-OPERATIVE EXPENSES OF NEW PROJECTS- PENDING CAPITALISATION

(Rs. In Lacs)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
Opening Balance as on 01.04.09	-	-
Balance Transferred from the Amalgamating Company	5,724	-
Advertisement & Publicity	116	-
Bidding Expenses	11	-
Compensation for Land	165	-
Depreciation	33	-
Directors' Remuneration	70	-
Directors' Sitting Fee	8	-
Employee Remuneration & Benefits	257	-
Finance Charges	7,953	-
Freight & Octroi Charges	3	-
Insurance	16	-
Interest on Term Loan	9,328	-
Lease Rent	16	-
Legal and Professional Expenses	931	-
Miscellaneous Expenses	18	-
Overhead Line Connection Charges	42	-
Postage & Courier Expenses	1	-
Power Water & Electricity Charges	3	-
Printing & Stationery Expenses	5	-
Provident Fund, ESI & Admin Charges	18	-
Rehabilitation & Resettlement Expenses	39	-
Rent, Rate & Taxes	19	-
Repair & Maintenance	1	-
Security Trusteeship Fee	12	-
Site Development Expenses	125	-
Staff Welfare Expenses	33	-
Stores & Spares Consumed	236	-
Telephone Expenses	9	-
Travelling & Conveyance	80	-
Vehicle Running & Maintenance	36	-
TOTAL	25,308	-
Less:		
- Transferred to Land Account	(250)	-
- Transferred to Advance for Water Cess	(39)	-
- Interest Received (Gross) TDS Rs. 102,555/-	(168)	-
- Foreign Exchange Variation	(241)	-
- Excess provision (Previous Year) written back	(436)	-
Add:		
Income Tax on Interest Received	57	-
Wealth Tax	0	-
NET EXPENDITURE CARRIED TO BALANCE SHEET	24,231	-

(Rs. In Lacs)

PARTICULARS	As at 31.3.2010	As at 31.3.2009
SCHEDULE 'H'		
INVESTMENTS (AT COST)		
(A) Investment in Subsidiary Companies		
Un-Quoted		
i) 12,95,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Powergrid Limited (Previous year 7,52,50,000 Equity Shares)	12,950	7,525
ii) 16,25,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Arunachal Power Limited (Previous year -Nil)	16,250	-
iii) 224,158,550 equity shares of Rs.10/-each fully paid up of Bina Power Supply Co. Ltd. (Previous year - Nil)	29,910	-
iv) 24,31,89,800 equity shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (Previous year -Nil)	24,329	-
v) 15,19,77,200 equity shares of Rs.10/- each fully paid up of Sangam Power Generation Company Limited (Previous year -Nil)	15,207	-
(B) Other Investments		
Un-Quoted		
400,000,000 equity shares of Rs. 10/- each fully paid up of Jaypee Karcham Hydro Corporation Ltd. (Previous year Nil)	40,000	-
(C) Share Application Money (Subsidiary Company)		
Jaypee Powergrid Limited	3,450	-
TOTAL	142,096	7,525

Note :

1 Aggregate cost of Quoted Investments	NIL
Aggregate cost of Unquoted Investments Rs. In Lacs	138,646
2 All Investments are Non-trade, Long-term Investments	

SCHEDULE 'I'

CURRENT ASSETS, LOANS AND ADVANCES

CURRENT ASSETS

Inventories

(As per Inventory taken, valued and certified by Management)

Stores & Spares		841			490
Sundry Debtors (Considered Good)					
Due for a period exceeding six months	9,944			10,035	
Other Debts	10,449	20,393		2,023	12,058
Cash and Bank Balances					
Cash In hand	7			4	
Balances with Scheduled Banks					
(i) In Current Account	15,461			107	
(ii) In Fixed Deposits (Pledged with Govt. Deptt./Banks Rs. 1,52,52,916/- Previous year Rs. 6,85,362/-)	210,297			307	
(iii) In Unpaid Dividend account Trust & Retention Account	195			130	
(i) In Current Account	241			1,211	
(ii) In Fixed Deposits	14,678	14,919	240,879	3,275	4,486
5,034					
Other Current Assests					
a) Interest accrued (including interest receivable from HPSEB)	3,694			2,688	
b) Interest accrued on FDR with Banks	244			18	
c) Deferred Receivable	5,312	9,250		6,197	8,903
A		271,363			26,485

Loans and Advances

(Unsecured, Considered Good)

Advances recoverable in cash or in kind or for value to be received.		871			114
Interest Recoverable from Power Finance Corporation		-			1,736
Staff Imprest & Advances		15			9
Prepaid Expenses		3,899			38
Security Deposits – with Govt. Deptts., Public Bodies	14				-
– others	127	141		126	126
Advance Tax & Tax Deducted at Source		10,072			7,039
B		14,998			9,062

TOTAL (A + B)		286,361			35,547
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PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'J'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
– Due to Micro, Small Scale, Medium Scale enterprises	–	–
– Others	<u>1,396</u>	<u>140</u>
Due to Staff	69	47
Due to Directors	3	–
Other Liabilities	815	46
Interest Accrued but not Due on loans	1,392	182
Investors Education & Protection Fund: (Appropriate amounts shall be transferred to Investor Education & Protection Fund, if and when due)		
– Unclaimed Dividend	195	130
A	3,870	545
PROVISIONS		
Income Tax	9,782	7,075
Wealth Tax	2	–
Fringe Benefit Tax	14	21
Provident fund	14	11
Bonus & Incentive	50	62
Gratuity	29	42
Leave Encashment	112	34
Dividend	–	3,682
Dividend Tax	–	626
B	10,003	11,553
TOTAL (A + B)	13,873	12,098
SCHEDULE 'K'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary & Share issue Expenses (Transfer from Amalgamating Company)	58	–
Less: Written Off	<u>58</u>	<u>–</u>
Deferred Revenue Expenditure (Transfer from Amalgamating Company)	3	–
Less: Written Off	<u>3</u>	<u>–</u>
TOTAL	–	–
SCHEDULE 'L'		
OTHER INCOME		
Interest on deposits with banks (TDS Rs. 1,49,92,507/- Previous year Rs. 63,71,839/-)	1,193	282
Interest on Arrears	1,466	1,760
Others (including sale of scrap and sundry balances written back)	47	82
TOTAL	2,706	2,124

(Rs. In Lacs)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'M'		
OPERATION & MAINTENANCE (O & M)		
Stores & Spares consumed	299	229
Repairs to Building	96	30
Repairs to Machinery	2,067	234
Repairs to Barrage	2	17
O & M Charges	214	126
Insurance	389	207
TOTAL	3,067	843
SCHEDULE 'N'		
EMPLOYEES REMUNERATION & BENEFITS		
Employees Remuneration & Benefits	1,662	683
Contribution to Provident and other funds	88	40
Workmen & Staff Welfare Expenses	151	68
Gratuity	32	7
Leave Encashment	54	7
Directors' Remuneration	168	79
TOTAL	2,155	884
SCHEDULE 'O'		
ADMINISTRATION & OTHER EXPENSES		
Advertisement	446	21
Business Promotion	4	3
Consultancy, Legal & Professional Fee	1,452	101
Courier & Postage	95	59
Directors' Sitting Fee	36	18
Internal Auditor Fee	5	5
Lease Rent of land	56	17
Listing & Custodial Fee	43	28
Miscellaneous Expenses	136	53
Power & fuel	332	119
Printing & Stationery	70	38
Rent	61	50
Taxes & Fees	11	10
Telephone and Telex	12	7
Travelling & Conveyance	171	64
Vehicle Running & Maintenance	48	14
Auditor's Remuneration		
For Audit	22	8
For Tax Audit	3	1
TOTAL	3,003	616
SCHEDULE 'P'		
INTEREST & FINANCIAL CHARGES		
Interest		
Debentures	2,407	2,323
Term Loans	18,993	5,681
Working Capital	675	4
Financial charges		
DPG Commission	172	143
Front end fee and other charges	1,374	43
Security & Trusteeship Fee	22	—
TOTAL	23,643	8,194

SCHEDULE 'Q'

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. Significant Accounting Policies:

a) Basis of Preparation of Financial Statements

- (i) The accounts are prepared on the historical cost basis and on the principles of a going concern.
- (ii) Accounting policies not specifically referred to otherwise are being consistently followed and are in accordance with generally accepted accounting principles.

b) Revenue Recognition

- (i) 300 MW BASPA-II HEP : Revenue from sale of electrical energy is accounted for on the basis of billing to Himachal Pradesh State Electricity Board (HPSEB) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of Power Purchase Agreement dated 4th June 1997, Amendment No.1 dated 07.01.1998 executed between the Company and HPSEB.

400 MW Vishnuprayag HEP : Revenue from sale of electrical energy is accounted for on the basis of billing to Uttar Pradesh Power Corporation Limited (UPPCL) as per Tariff approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of Power Purchase Agreement dated 16.01.2007, executed between the Company and UPPCL.

- (ii) Revenue from sale of Verified Emission Reductions (VERs) is accounted for on receipt basis.
- (iii) Insurance claims are accounted for on receipt basis or as acknowledged by the Insurance Company.
- (iv) Other Income and cost/expenditure are accounted for on accrual basis as they are earned or incurred.
- (v) Advance against depreciation claimed/to be claimed as part of tariff in terms of PPA during the currency of loans to facilitate repayment installment is treated as 'Deferred Revenue'. Such Deferred Revenue shall be included in Sales in subsequent years.

c) Fixed Assets

Fixed Assets are stated at Cost of procurement or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings and financing cost upto the date of commissioning.

d) Depreciation

- (i) Premium on Leasehold Land is amortised over the period of lease.
- (ii) (a) **300 MW BASPA-II HEP** : Depreciation has been provided @ 2.71% p.a. on straight line method on Hydro Electric Works w.e.f. 24.5.2003 as approved by The Ministry of Company Affairs, Government of India in exercise of the powers conferred under section 205 (2) (c) of the Companies Act 1956 vide their letter no. 45/1/2006-CL-III dated 26.6.2006.
- (b) **400 MW Vishnuprayag HEP** : Depreciation has been provided @ 2.71% p.a. on straight line method on Hydro Electric Works w.e.f. 17.06.2006 as approved by The Ministry of Company Affairs, Government of India in exercise

of the powers conferred under section 205 (2) (c) of the Companies Act 1956 vide their letter no. 45/7/2006-CL-III dated 03.05.2007.

- (iii) Fixed Assets other than Hydro Electric Works are depreciated as per straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.

- (iv) Depreciation on Assets of the Rs. 5,000 or less is provided at 100% irrespective of the actual period of use.

e) Expenditure during Construction Period

Expenditure incurred on projects/assets during construction/ implementation is capitalized and apportioned to projects/assets on commissioning.

f) Foreign Currency Transactions

- (i) Transactions in Foreign Currency are recorded in the Books of Accounts in Indian Currency at the rate of exchange prevailing on the date of transaction.
- (ii) All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in Indian Currency at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Foreign Exchange gain/loss is being adjusted against the cost of assets in terms of the amendment to Accounting Standard (AS-11) issued vide Notification dated 31st March, 2009 by Ministry of Corporate Affairs, Govt. of India.

g) Investments

Investments are stated at Cost and where there is permanent diminution in the value of Investments a provision is made wherever applicable. Dividend will be accounted for as and when received.

h) Inventories

- (a) Inventories of Stores & Spares are valued on the basis of weighted average cost method.
- (b) Material-in-transit is valued at cost.

i) Employees Benefits

Employees Benefits are provided in the books as per AS-15 (revised) in the following manner:

- (a) Provident Fund and Pension contribution as a percentage of salary/wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- (b) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

j) Borrowing Costs

Borrowing costs attributable to the procurement/construction of fixed assets are capitalised as part of the cost of the respective assets upto the date of commissioning. Other borrowing costs are recognized as expense during the year in which they are incurred.

k) Taxes on Income

Provision for current tax is being made after taking into consideration benefits admissible to the company under the provisions of the Income Tax Act, 1961.

Deferred tax liability, if any, is computed as per Accounting Standard (AS-22). Deferred Tax Asset and Deferred Tax Liability are computed by applying rates and tax laws that have been enacted upto the Balance Sheet date.

l) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes (as per AS-29). Contingent Assets are neither recognized nor disclosed in the financial statements.

m) Earnings per share

Basic earning per equity share is being computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

n) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

o) Intangible Assets:

- (i) Intangible assets are stated at cost of acquisition less accumulated amortisation on straight line basis from the date the assets are put for commercial use.
- (ii) As provided in the Scheme of Amalgamation approved by Hon'ble High Court of Himachal Pradesh at Shimla, "Goodwill" arising on Amalgamation will be written off over a period not exceeding ten years against Securities Premium Account and/or Capital Reserves and/or General Reserves and/or balance standing to the credit of Profit & Loss account, as may be decided from time to time by the Board of Directors.

2. Amalgamation

Pursuant to the Scheme of Amalgamation ["the Scheme"] U/s 391/394 of the Companies Act, 1956, (i) erstwhile Jaiprakash Power Ventures Limited (Amalgamating Company) engaged in business of generation of Hydro-electric Power (400 MW HEP) and implementing 1320 MW Super Critical Thermal Power Project stand merged with Jaiprakash Hydro Power Limited (Amalgamated Company) engaged in generation of hydro power (300 MW HEP) w.e.f 01.04.2009 ["the Appointed date"] in terms of the Order dated 14.12.2009 of Hon'ble High Court of Himachal Pradesh at Shimla sanctioning the Scheme and is effective from 14.12.2009.

With effect from the Appointed date, all the business undertakings, assets, liabilities, rights and obligations of the Amalgamating Company stood transferred to and vested in the Amalgamated Company in consideration for issue of three equity shares of Rs. 10/- each in the Amalgamated Company for every one equity share of Rs. 10/- each held in Jaiprakash Power Ventures Limited (Amalgamating Company);

The Amalgamating Company carried on all the businesses and activities for the benefit of and in trust for the Amalgamated Company from the Appointed date. Thus, the profit or income accruing or arising to the Amalgamating Company or expenditure or losses arising or incurred from the Appointed date are treated as profit or income or expenditure or loss as the case may be of the Amalgamated Company. The Scheme has accordingly been given effect to in these accounts.

The Amalgamation has been accounted for under the "Pooling of Interests method" as prescribed in Accounting Standard 14 - Accounting for Amalgamations [AS-14] issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and reserves of the Amalgamating Companies have been taken over at their book values on the Appointed date i.e. 01.04.09 as detailed hereunder:

Erstwhile Jaiprakash Power Ventures Limited (Amalgamating Company)

Assets	Rupees
Fixed Assets [including Capital Work-in-Progress]	16,028,217,564
Current Assets	2,695,457,978
Pre-Operative Expenses of New Projects (Pending Capitalisation)	572,355,117
Investments	4,363,499,891
Miscellaneous Expenditure	6,135,671
Total	23,665,666,221

Liabilities	Rupees
Reserve and Surplus:	
Share Premium	3,929,866,085
Debenture Redemption Reserve	290,000,000
General Reserve	300,000,000
Profit and Loss Account	1,014,284,286
Current Liabilities	523,792,430
Secured and Unsecured Loans	11,448,475,424
Deferred Revenue	810,315,996
Total	18,316,734,221

Net Assets over Liabilities
Represented by Number of
Equity Shares 534,893,200 of Rs. 10/- each 5,348,932,000

Consideration

Number of Equity Shares of
Rs. 10/- each[to be allotted by the
Amalgamated Company] 1,604,679,600
Addition to Equity Share Capital Rs. 16,046,796,000
Balance debited to Goodwill on
Amalgamation Rs. 10,697,864,000

Pursuant to sanction of the Scheme of Amalgamation:

Authorised Share Capital of the
No. of Shares Company stands increased as under
(a) Equity Shares of Rs. 10/- each 3,900,000,000

(b) Equity Shares of Rs. 10/- each [to be allotted by the Amalgamated Company]	160,46,79,600
(c) Addition to Equity Shares Capital	Rs. 16,046,796,000
(d) Goodwill on Amalgamation	Rs. 10,697,864,000

As per Scheme of Amalgamation, the name of Company has been changed to Jaiprakash Power Ventures Limited w.e.f 23.12.2009.

The Current year figures are of the Merged entity i.e. 300 MW BASPA-II HEP, 400 MW Vishnuprayag HEP and 1320 MW Nigrie Thermal Power Project therefore not comparable with that of Previous year which are of 300 MW Baspa –II HEP only.

3. Contingent Liabilities:

	Rupees
(i) Outstanding amount of Letter of Credit (Previous Year Rs. 1,33,04,896/-)	98,74,476
Margin Money against above (Previous Year Rs. 6,85,362/-)	1,37,16,821
(ii) Outstanding amount of Bank Guarantee (Previous Year Nil)	62,11,99,000
Margin Money against above (Previous Year Nil)	15,36,095
(iii) Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for (Previous Year - Nil)	INR 1,91,257.61 lac USD 586.31 lac EURO 219.62 lac JPY 2,30,530.43 lac
(iv) Claims against the company not acknowledged as debts. (Previous Year Rs. 6,29,13,672/-)	2,93,35,073

4. Security for Term Loans and Non-Convertible Debentures

4.1 300 MW BASPA-II HEP

- 4.1 (a) Rupee Term Loans, Foreign Currency Loans, Working Capital Facilities and Deferred Payment Guarantee(s) from Financial Institutions and Banks, together with all interest, guarantee commission, liquidated damages, premia on prepayment or on redemption, cost, expenses and other monies stipulated in the Loan Agreements/Deferred Payment Guarantee Agreement are secured by hypothecation of the 300 MW BASPA-II HEP (Baspa Project) movable assets (present and future), equitable mortgage on the immovable assets of the Baspa Project and pledge of 29,49,99,900 equity shares of Rs. 10 each fully paid up of the Company held by Jaiprakash Associates Limited (JAL) – Holding Company, and assignment of all the rights, titles and interest of the Company in all project documents, licenses, permits, approvals etc. of Baspa Project ranking pari-passu among all the participating Institutions and Banks of Baspa Project viz. IDBI, PFC, IFCI, LIC, Bank of Baroda, Punjab National Bank, Indian Overseas Bank, State Bank of Indore and State Bank of Hyderabad. The outstanding Loans of LIC, Bank of Baroda, Indian Overseas Bank, State Bank of Hyderabad has since been paid after 31st March 2010 and security in respect of each of these lenders is yet to be satisfied.
- 4.1 (b) The Foreign Currency Loans under Buyers' Credit are guaranteed by Deferred Payment Guarantee issued by Power Finance Corporation Limited.
- 4.1 (c) The Non Convertible Debentures, (NCDs) together with all interest, liquidated damages, remuneration payable to Trustees, premium on prepayment or on redemption, cost, expenses and other monies stipulated in the Subscription

Agreements/Trustee Agreement are secured by a legal mortgage in English form by way of first mortgage and charge on Company's properties at Mouje Dhanot, Taluka Kalol, District Mehsana in the state of Gujarat in favour of IDBI Trusteeship Services Ltd. (Trustees) for NCDs of Rs.15,000 Lacs subscribed by ICICI Bank Ltd and Axis Bank Ltd (Trustees) for NCDs of Rs 17,400 Lacs subscribed by Axis Bank Ltd and hypothecation of the Baspa Project's movable assets (present and future), equitable mortgage on the immovable assets of the Baspa Project and pledge of shares as stated in 4.1(a) above held by Jaiprakash Associates Ltd. in the Company, ranking pari-passu among all the participating Institutions and Banks of Baspa Project. The outstanding amount of NCDs of ICICI Bank Ltd. has since been paid after 31st March 2010 and security in respect of the same is yet to be satisfied.

- 4.1 (d) As per terms of sanction the Term Loan availed from Allahabad Bank for Rs. 80 crores together with all interest, guarantee commission, liquidated damages, premia on prepayment or on redemption, cost, expenses and other monies stipulated in the Finance Documents (dated 19.12.2009 & 11.05.2010) is secured by hypothecation of the 300 MW BASPA-II HEP (Baspa Project) movable assets (present and future), equitable mortgage on the immovable assets of the Baspa Project, assignment of all the rights, titles and interest of the Company in all project documents, licenses, permits, approvals etc. of Baspa Project ranking pari-passu among all the participating Institutions and Banks of Baspa Project and pledge of 62.91 Crore (Sixty Two Crore Ninety One Lakh)paid-up shares of Rs. 10/- each, i.e. approx. 30 (thirty)% paid-up equity share capital of the Borrower, to be shared on pari-passu basis with the lenders of the Vishnuprayag Project and Nigrie Project The security for the said loan is yet to be created.

4.2 400 MW Vishnuprayag HEP

- 4.2 (a) The financial assistance sanctioned and disbursed by financial institutions and Banks viz. ICICI Bank Ltd. (ICICI), Industrial Development Bank of India Ltd. (IDBI), Life Insurance Corporation of India (LIC), Power Finance Corporation Ltd. (PFC), Punjab National Bank (PNB) and Rural Electrification Corporation Ltd. (REC), (Lenders) by way of Rupee Term Loans, Non Convertible Redeemable Debentures taken by LIC and Foreign Currency Loans from PFC together with all interests, liquidated damages, Front-End Fees, Management fees and any other amount due and payable to the above lenders, premia on prepayment, costs, charges, expenses and other monies, any increase as a result of revaluation/ devaluation/ fluctuations in the rate of exchange under the Common Loan Agreement, respective Facility Agreements and all amounts payable to the Lenders, Facility Agent, Debenture and Security Trustees under the Financing Documents of 400 MW Vishnuprayag HEP is secured by Mortgage and charge over all the immoveable and moveable assets both present and future of Vishnyprayag Project, all intangible assets, undertaking and uncalled capital, charge on all revenues and receivables of the Company from 400 MW Vishnuprayag HEP, Company's rights under each of the 400 MW Vishnuprayag HEP documents duly acknowledged and consented by the relevant counter parties, charge on all licenses, permits, approvals, assignments, concessions and consents in connection with the 400 MW Vishnuprayag HEP, charge on all the Company's 400 MW Vishnuprayag HEP accounts, except Distribution Account on which there shall be a floating charge which shall get converted into

a fixed charge in case of any default, charge on all the construction and operating period Insurance Policies of the Project, on a pari-passu basis with the security created or to be created in favour of Lenders and further secured by way of pledge of 741,600,000 Equity shares of Rs. 10 each fully paid up of the Company held by JAL. Financial assistance sanctioned by PFC is further secured by Corporate Guarantee(s) given by Jaiprakash Associates Limited.

The Rupee Term Loan of all the Financial Institutions and Banks have been repaid by the Company out of the proceeds of Rupee Term Loan (Rs. 1650 crore) against securitization of receivables. However, the Security is yet to be satisfied by the said Lenders.

4.2 (b) The Rupee Term Loan of Rs.1650 Crore sanctioned and disbursed by a consortium of ten banks together with all interests, costs, expenses and other monies is primarily secured by (i) first charge on 400 MW Vishnuprayag HEP's present and future book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and (ii) first charge on 400 MW Vishnuprayag HEP's all the accounts including the Trust & Retention Account, Escrow Account of Uttar Pradesh Power Corporation Limited and Debt Service Reserve Account and each of the other accounts required to be created by the Company under any 400 MW Vishnuprayag HEP Document. The loan is inter-alia secured by;

- (i) first charge on 400 MW Vishnuprayag HEP's all intangible assets, hypothecation of all the movable assets, assignment of Project Agreements and Escrow Agreement, all present and future rights, titles, interests, benefits, claims and demands whatsoever with respect to the Insurance Policies, claims and benefits to all monies receivable there under and all other claims there under in respect of all the insured assets of the Project;
- (ii) pledge of 62.91 Crore (approx 30% of paid-up equity) shares of the Company held by JAL on pari-passu basis with lenders of Baspa – II HEP and Nigrie Thermal Power Project; and (iii) first equitable mortgage on all rights, titles, interests and benefits in respect of immovable properties, and assets of the 400 MW Vishnuprayag HEP.

Since the Security has not been satisfied by the previous Lenders as mentioned in Clause No. 4.2(a) above, the Security (including pledge and Undertaking by Sponsor i.e. Jaiprakash Associates Limited to keep their shareholding atleast to the extent of 51% of the Paid-up Share Capital) in favour of new Lenders is yet to be created.

4.3 The Rupee Term Loan of Rs.1,000 Crore sanctioned by ICICI Bank Limited together with all interests, liquidated damages, front end fee, premia on prepayment, costs, charges, expenses and other monies is secured by (i) second charge on all present and future movable and immovable properties and assets of Sangam Power Generation Company Limited and Prayagraj Power Generation Company Limited (subsidiaries of the Company) (ii) first charge on all the dividend receipts of the Company from Bina Power Supply Company Limited and Jaypee Karcham Hydro Corporation Limited and on designated account together with all the monies therein; (iii) pledge of 2414.1 Lakh Equity shares of Rs. 10 each fully paid up of the Company held by JAL.

4.4 The Non-Convertible Debentures of Rs. 999.98 crore subscribed by ICICI Bank Limited are secured by :

- (i) Residual charge on the entire fixed assets of the Company. The said security is, however, yet to be created.
- (ii) Unconditional and irrevocable personal guarantee of Shri Manoj Gaur, Chairman towards repayment of principal and interest on the Debentures.
- (iii) Letter of Comfort from Jaiprakash Associates Limited.

5. Security for Working Capital Loan

5(a) 300 MW BASPA-II HEP : The working capital facilities sanctioned by Punjab National Bank- Shimla are inter - alia secured by security mentioned in 4.1 (a) above and personal guarantees of Shri Jaiprakash Gaur - Founder Chairman, Shri Manoj Gaur - Chairman, Shri S.K. Sharma - Vice Chairman & CEO and Shri S. K. Jain - Director of the Company.

5(b) 400 MW Vishnuprayag HEP : Working Capital Loan is secured by second mortgage/ hypothecation and charge on all movable and immovable assets of 400 MW Vishnuprayag HEP (including all revenues, receipts, receivables and intangible properties) both present and future and second charge on bank accounts including Trust and Retention Accounts of 400 MW Vishnuprayag HEP.

6. Repayment of Term Loans and Non-Convertible Debentures

6.1 300 MW BASPA-II HEP :

6.1 (a) All Rupee Term Loans are repayable in 44 equal installments payable in July, August, September and October each year commencing from July 2005, with the following variation:

Institution/Bank	Repayment Schedule
PFC	Repayment in 39 Equal Installments in July, August, September and October each year w.e.f July 2005
IFCI (Taken over loan from IIBI)	Repayment in 48 Equal Installments in July, August, September and October each year w.e.f July 2005.
IFCI (Loan of Rs. 50 Crores)	Repayment in 32 Equal Installments in July, August, September and October each year w.e.f July 2008.
IDBI (Loan of Rs. 100 Crores)	Repayment in 32 Equal Installments in July, August, September and October each year w.e.f July, 2008.
Allahabad Bank (Loan of Rs. 80 Crores)	Repayment in 56 Installments in July, August, September and October each year w.e.f July, 2010.

6.1 (b) The details of Non-Convertible Debentures are as follows:

Institution	Rate of Interest	Amount	Redemption
Axis Bank	10% p.a	Rs 17,400 Lacs (1,740 Debentures of Rs 10 Lacs each – Rs 2,50,000/- per debenture redeemed as on 31.03.2010)	In July, August, September and October each year commencing from July 2008

ICICI Bank	10.5% p.a upto 14.06.05, 8.5% p.a upto 14.06.08 & 13.15% thereafter	Rs. 15,000 Lacs (150 Lacs Debentures of Rs 100 each – Rs 77/- per debenture redeemed as on 31.03.2010)	In July, August, September and October each year w.e.f July 2005, since Prematurely Redeemed/ paid
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6.2 400 MW Vishnuprayag HEP :

6.2 (a) Rupee Term Loan of Rs.1650 Crore are repayable in 54 quarterly installments payable in February, May, August and November each year commencing from November 2009.

6.2 (b) Secured Redeemable Non Convertible Debentures (NCDs):-

(i) 11.25% NCD's held by LIC redeemable in 40 equal quarterly installments commencing from 15.07.2007 and ending on 15.04.2017, the interest is payable on quarterly rests.

(ii) 9% NCDs held by LIC redeemable in 40 equal quarterly installments commencing from 15.07.2007 and ending on 15.04.2017, the interest is payable on monthly rests.

NCDs mentioned at Sl. No.6.2(b) (i) & (ii) have been Prematurely Redeemed/paid, however, the letter for satisfaction of charge is yet to be obtained.

6.3 Other Loans :

6.3 (a) Rupee Term Loan of Rs.1,000 Crore of ICICI Bank are repayable in 9 quarterly installments payable in February, May, August and November each year commencing from August 2012.

6.3 (b) Secured Redeemable Non Convertible Debentures (NCDs):-

Institution	Yield	Amount	Redemption
ICICI Bank	12% P.A.	Rs. 999.98 Crore (14,049 Debentures issued at a Price of Rs. 7,11,780 each. Redemption Price Rs. 10,00,000 each)	On 31.03.2013 in One installment.

7. Unsecured Loans

7 (a) The Short Term Loan (repayable within 12 months) availed from IDBI of Rs. 150 crores is inter-alia secured by personal guarantee of Shri Manoj Gaur, Chairman and subservient changes on Assets of 1320 MW Nigrie Super Thermal Power Project.

7 (b) The Short Term Loan (repayable within 6 months) availed from Punjab National Bank to the extent of Rs. 200 crores is inter-alia secured by personal guarantee of Shri Manoj Gaur, Chairman and negative lien on the receivables of the 300 MW BASPA-II HEP.

7(c) Unsecured loan of Rs. 10 Crore is repayable to Government of Uttarakhand in two equal annual installments of Rs. 5 Crore each in the year 2010-11 and 2011-12.

8 Collateral Security

8(a) 300 MW BASPA-II HEP : Jaiprakash Associates Limited (JAL), the holding Company, has furnished Corporate Guarantees for the financial assistance outstanding as on 31.03.2010 amounting to Rs.1,98,00,25,692/- (Previous Year Rs. 248,41,11,445/-) to the Financial Institutions and Banks and have also by way of pledge of shares of the Company held by JAL as given in point 4.1(a) herein above.

8(b) **400 MW Vishnuprayag HEP** : JAL, the Holding Company has furnished Corporate Guarantees for financial assistance outstanding as on 31.03.2010 amounting to US\$ 22,344,500.

9. The Company has issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US\$ 100,000 each aggregating to US\$ 200 Million at par on 12.02.2010. These Bonds are convertible at the option of the bond-holders into equity shares of Rs. 10/- each fully paid up at the conversion price of Rs. 85.8139 per share, subject to the terms of issue with a fixed exchange rate of Rs. 46.14 equal to US\$ 1 at any time on or after 25.03.2010 and prior to the close of business on 06.02.2015.

No conversion has taken place during the F.Y. 2009-10.

Unless previously converted, the bonds are redeemable at maturity on 13.02.2015 at a premium of 16.50%; representing a YTM of 7% p.a. (value as on 31.03.10 in US\$ 100,263 (Previous Year NIL) for a principal amount of US\$ 100,000) A reserve aggregating to Rs. 24,269,640 (Previous Year NIL) upto 31.03.10 has been created for the redemption premium.

As on 31.03.2010 the Company has outstanding exposure of US\$ 200 Million against FCCB unhedged, pending conversion into equity share capital. US\$ 17,55,46,551 are parked overseas pending utilization as on 31.03.10

10. Plant & Machinery includes a sum of Rs 64,67,14,114/- (Previous Year Rs. 62,86,78,388/-) being the cost paid for Inter Connection Facility (ICF) established by Satluj Jal Vidyut Nigam Limited (SJVNL) at their Switch Yard at Jhakri for evacuation of power generated by 300 MW BASPA-II HEP. The O&M Cost of ICF is paid by the company to SJVNL.

11. In the opinion of the Board of Directors, the "Current Assets, Loans and Advances", have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

12. The Trust and Retention Accounts (refer Schedule 'I') is maintained pursuant to the stipulations of the 'Financing Agreements' executed with the Lenders.

13. The Rupee value of Foreign Currency Loans has been considered at the bank TT selling rate as at 31st March 2010. Accordingly Exchange Fluctuation for the period 01.04.2009 to 31.03.2010 amounting to Rs 2627.21 Lacs has been credited to the cost of Plant and Machinery.

The amalgamating Company had accounted for Foreign Exchange differences on the Rupee Value of Foreign Currency Loans in the Profit and Loss Account. For uniform accounting, this has been changed to align with Accounting Policy of the amalgamated Company as mentioned in Clause No.(f) (iii) of the Accounting Policy. On account of this change an amount of Rs. 1370.06 Lacs for the year under review has been credited to the cost of Plant & Machinery of the amalgamating Company and is included in Rs.2627.21 Lacs mentioned above.

14. Additional Information pursuant to the provisions of Paragraph 3 and 4 of Part-II of Schedule VI to the Companies Act, 1956:

14 (a) Capacity and Production :
(As certified by the Management)

Particulars	Baspa-II HEP	Vishnuprayag HEP	Total
Licensed Capacity	300 MW	400 MW	700 MW
Installed Annual Capacity	300 MW	400 MW	700 MW
Net Saleable Design Energy at Interconnection Point(s)	1205.06 MU	1545.88 MU	2750.94 MU

Generation details & parameters

Particulars	2009-10			2008-09	
	Baspa-II	Vishnuprayag	Total	Baspa-II	Total
Net Saleable Energy (MU)	1139.03	1717.06	2856.09	1131.46	1131.46
Plant Availability %	99.83	98.96		99.65	

14 (b) **Value of Imports on C.I.F. Basis :**

	2009-10 Rs.	2008-09 Rs.
– Payment to Suppliers of Capital Equipments	10,08,56,230	3,25,84,992
– Payment for supplies of spares	2,35,56,821	62,37,235

14 (c) **Expenditure in Foreign Exchange :**

	2009-10 Rs.	2008-09 Rs.
Travelling (Directors)	55,32,007	21,78,969
Interest to Banks	3,06,17,914	4,92,31,437
Consultancy Fee	3,64,24,533	Nil
Finance Charges	18,45,22,048	Nil
Payment for Capital Goods and Services	257,64,89,315	Nil

14 (d) **Details of Stores & Spares Consumed : (including for Machinery and O&M)**

	2009-10		2008-09	
	Rs.	%	Rs.	%
(i) Indigenous	6,11,17,865	73%	1,66,94,409	73%
(ii) Imported	2,25,30,632	27%	62,37,235	27%

14 (e) **Earnings in Foreign Exchange:**

	2009-10 Rs.	2008-09 Rs.
Sale of Verified Emission Reductions (VERs)	41,11,52,131	7,79,30,663
FDR & Bank Interest	1,62,02,508	-

15. **Managerial remuneration paid/payable to Managing Director/Whole Time Directors :**

	2009-10* Rs.	2008-09 Rs.
Salary	1,49,15,807	50,10,000
Provident Fund	17,89,897	6,01,200
Perquisites	1,59,25,366	39,10,685
	<u>3,26,31,070</u>	<u>95,21,885</u>

(*) Including remuneration paid to Directors of Amalgamating Company.

16. **Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Department of Company Affairs (As certified by the Management):**

S. No.	Particulars	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
--------	-------------	-------------------------	-------------------------

- a) The principal amount and interest due thereon remaining unpaid to any supplier
- | | | |
|--------------------|-----|-----|
| – Principal Amount | Nil | Nil |
| – Interest Amount | Nil | Nil |
- b) The amount of interest paid by the buyer in terms of section 166 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.
- | | | |
|--|-----|-----|
| | Nil | Nil |
|--|-----|-----|
- c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the
- | | | |
|--|-----|-----|
| | Nil | Nil |
|--|-----|-----|

appointed during period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.

- d) The amount of interest accrued and remaining unpaid Nil Nil
- e) The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 Nil Nil

17. **300 MW BASPA-II HEP:** The Himachal Pradesh Electricity Regulatory Commission (HPERC) have passed the Multi Year Tariff (MYT) Order dated 30th March 2009 & Review Order dated 10th September 2009 for F.Y. 09, 10 and 11 and has also trued up the Tariff for F.Y. 04 to 08 based on actuals for the period. The Company has filed Clarificatory Review Application with HPERC and an Appeal with Appellate Tribunal for rectification of certain items of Tariffs inter-alia including MAT for FY 04 to 08 and for FY 09 to FY10. Accordingly, the receivables to the extent of Rs. 56.07 Crores. from HPSEB in respect of review items are subject to final decision on the Application/Appeal and other legal remedies available to the Company.

18. As per accounting policy the Advance against Depreciation amounting to Rs. 7905 lacs (Previous Year Rs.2,352 lacs) has been treated as Deferred Revenue

19. Related Party Disclosures, as required in terms of "Accounting Standard [AS] 18" are given below:

- (1) Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

(a) Holding Company:

Jaiprakash Associates Limited

(b) Subsidiary Companies:

- Jaypee Powergrid Limited
- Bina Power Supply Company Limited
- Jaypee Arunachal Power Limited
- Sangam Power Generation Company Limited
- Prayagraj Power Generation Company Limited

(c) Fellow Subsidiary Companies:

- Jaypee Karcham Hydro Corporation Limited
- Himalayan Expressway Limited
- Jaypee Infratech Limited
- JPSK Sports Private Limited
- Madhya Pradesh Jaypee Minerals Limited
- Bhilai Jaypee Cement Limited
- Bokaro Jaypee Cement Limited
- Gujarat Jaypee Cement & Infrastructure Limited
- Jaypee Agra Vikas Limited (w.e.f.16.11.2009)
- Jaypee Ganga Infrastructure Corporation Limited.

(d) Associate Companies / Concerns :

- (1) Jaypee Ventures Private Limited
- (2) Jaypee Development Corporation Limited (subsidiary of Jaypee Ventures Private Ltd.)
- (3) JIL Information Technology Limited (subsidiary of Jaypee Ventures Private Limited)
- (4) Gaur & Nagi Limited(subsidiary of JIL Information Technology Limited)
- (5) Jaiprakash Kashmir Energy Limited
- (6) Indesign Enterprises Pvt. Limited(subsidiary of Jaypee Ventures Private Limited) (w.e.f. 24.08.2009)
- (7) Sonebhadra Minerals Pvt. Limited
- (8) RPJ Minerals Pvt. Limited
- (9) Jaypee Petroleum Private Limited(subsidiary of Jaypee Ventures Private Limited)
- (10) Jaypee Hydro-Carbons Private Limited(subsidiary of Jaypee Ventures Private Limited)
- (11) Tiger Hills Holiday Resort Private Limited(subsidiary of Jaypee Development Corporation Limited) (w.e.f. 27.10.2009)
- (12) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 01.05.2009)
- (13) Vasujai Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (14) Samsun Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (15) Sunvin Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (16) Manumanik Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (17) Arman Estate Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (18) Suneha Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (19) Pee Gee Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (20) Vinamra Housing & Constructions Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (21) Sarveshwari Stone Products Private Limited(subsidiary of RPJ Minerals Private Limited) (w.e.f. 23.10.2009)
- (22) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (23) MP Jaypee Coal Limited (w.e.f. 14.05.2009)
- (24) MP Jaypee Coal Fields Limited (w.e.f. 04.01.2010)
- (25) Jaypee Spa Infocom Limited (subsidiary of Jaypee Ventures Private Limited) (Upto 25.02.2010)

(e) Key management Personnel:

- (1) Shri Manoj Gaur, Chairman
- (2) Shri S.K. Sharma, Vice Chairman and CEO

- (3) Shri Suresh Kumar, Executive Chairman (upto 30.06.2009(*))
 - (4) Shri Suren Jain, Managing Director and CFO (*)
 - (5) Shri Arun Gupta, Whole-time Director (upto 14.12.2009(*))
 - (6) Shri Ravi Chadha, Whole-time Director (01.04.2009 to 14.12.2009) (*)
 - (7) Shri J.N. Gaur, Whole-time Director
 - (8) Shri R.K. Narang, Whole-time Director,
 - (9) Shri Suresh Chandra, Whole-time Director
- (*) Directors of erstwhile Jaiprakash Power Ventures Limited (Amalgamating Company)

(2) Transactions carried out with related parties referred to above

(Amount in Rs.)

Name of Transactions	Related Parties				
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
Expenses					
Hiring Charges (Previous Year)	23,94,451 (19,55,17,194)				
Rent (Previous Year)	64,32,000 (45,23,438)				
Cement (Previous Year)	- (1,48,20,200)				
Other Expenses (Previous Year)	8,97,42,668 (1,08,68,283)		- (2,25,270)	2,57,37,264 (14,99,454)	
Salary & Perquisites (Previous Year)	-				3,26,31,070 (95,21,885)
Services Availed (Previous Year)	14,59,259 (-)			1,05,07,517 (-)	
Execution of Work (Previous Year)	10,48,18,953 (-)				
Outstandings - Payables					
Amount payable (Previous Year)	1,82,10,239 (41,55,202)			2,02,673 (-)	3,00,880 (8,500)
Outstandings - Receivables					
Amount receivable (Previous Year)	1,00,00,000 (1,00,00,000)				
Investment in Subsidiaries					
Share Capital (Previous Year)	474,85,61,910 (67,85,00,000)	400,00,00,000 (-)			
Share Application Money (Previous Year)	34,50,00,000 (-)				

Guarantees given by the holding company on behalf of the company have been mentioned elsewhere in the Notes to Accounts.

20. Earnings Per Share is computed in accordance with Accounting Standard –20 issued by the Institute of Chartered Accountants of India.

(Amount in Rs.)

	2009-10	2008-09
[a] Net Profit for Basic Earnings Per Share as per Profit & Loss Account	251,53,80,638	142,85,45,078
Adjustment for the purpose of Diluted Earnings Per Share	-	-
Net Profit for Diluted Earnings Per Share	251,53,80,638	142,85,45,078
[b] Weighted average number of equity shares for Earnings Per Share computation:		
[i] Number of Equity Shares at the beginning of the year	49,10,00,600	49,10,00,600

(Amount in Rs.)

[ii]	Number of Shares allotted on amalgamation	160,46,79,600	-
[iii]	Weighted average shares allotted/ to be allotted during the year	209,56,80,200	49,10,00,600
[iv]	Number of potential Equity Shares	10,75,35,026	-
[v]	Weighted average No. of Shares for :		
[v]	[a] Basic Earnings Per Share	209,56,80,200	49,10,00,600
	[b] Diluted Earnings Per Share	210,95,27,176	49,10,00,600
[c]	Earnings Per Share		
	[i] Basic	Rs. 1.20	Rs. 2.91
	[ii] Diluted	Rs. 1.19	Rs. 2.91
[d]	Face Value Per Share	Rs. 10.00	Rs. 10.00

21. (a) Provident Fund - Defined Contribution Plan

All employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account including Administrative and DLI charges Rs. 87,66,633 during the year (Previous Year Rs. 40,38,212) and Rs. 17,69,106 booked in Incidental Expenses (Pending Capitalisation).

(b) Gratuity - The liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is made on Projected Unit Credit method as per AS 15(revised). Jaiprakash Associates Limited {JAL} (the company's holding company) has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30th March,2009 for JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the Trust Funds for the benefits of employees. As a subsidiary of JAL, the company is participating in the Trust Fund by contributing its liability accrued upto the close of each financial year to the Trust Fund.

(c) Leave Encashment - Defined Benefit Plans - Provision has been made as per Actuarial Valuation.

(Amount in Rs.)

Sl. No.	Particulars	Non Funded	
		Gratuity	Leave Encashment
I	Expenses recognized in the Profit & Loss Account and in the Statement of Incidental Expenditure During Project Implementation, Pending Allocation for the Year ended 31st March 2010.		
	1. Current Service Cost.	25,95,021 (9,15,890)	32,59,211 (8,65,538)
	2. Interest Cost	6,23,081 (2,83,157)	3,71,090 (2,18,852)
	3. Employee Contribution	- (-)	- (-)
	4. Actuarial (Gains)/Losses	(310,428) (-5,21,939)	29,29,448 (-3,68,762)
	5. Past Service Cost	- (-)	- (-)
	6. Settlement Cost	- (-)	- (-)
	7. Total Expenses	29,07,674 (6,77,108)	65,59,749 (7,15,628)

Sl. No.	Particulars	Non Funded	
		Gratuity	Leave Encashment
II	Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03. 2010.		
	1. Present Value of Defined Benefit Obligation.	106,39,323 (42,02,582)	111,98,372 (34,24,868)
	2. Fair Value of Plan Assets	77,31,649 (-)	- (-)
	3. Funded Status (Surplus/Deficit)	(29,07,674) (-42,02,582)	(111,98,372) (-34,24,868)
	4. Net Asset/(Liability) as at 31.03.2010.	(29,07,674) (-42,02,582)	(111,98,372) (-34,24,868)
III	Change in Obligation during the Year ended 31st March, 2010.		
	1. Present value of Defined Benefit Obligation at the beginning of the year.	77,88,513 (35,39,464)	46,38,623 (27,35,655)
	2. Current Service Cost.	25,95,021 (9,15,890)	32,59,211 (865,538)
	3. Interest Cost	6,23,081 (2,83,157)	3,71,090 (2,18,852)
	4. Settlement Cost	- (-)	- (-)
	5. Past Service Cost.	- (-)	- (-)
	6. Employee Contributions	- (-)	- (-)
	7. Actuarial (Gains)/Losses	(2,83,541) (-5,21,939)	29,29,448 (368,762)
	8. Benefit Payments	(83,751) (-13,990)	- (26,415)
	9. Present Value of Defined Benefit Obligation at the end of the year.	106,39,323 (42,02,582)	111,98,372 (34,24,868)
IV	Change in Assets during the Year ended 31st March,2010.		
	1. Plan Assets at the beginning of the year.	- (-)	- (-)
	2. Assets acquired on amalgamation in previous year.	- (-)	- (-)
	3. Settlements	- (-)	- (-)
	4. Expected return on Plan Assets	26,887 (-)	- (-)
	5. Contribution by Employer	77,88,513 (-)	- (-)
	6. Actual Benefit Paid	(83,751) (-)	- (-)
	7. Actuarial Gains/ (Losses)	- (-)	- (-)
	8. Plan Assets at the end of the year.	77,31,649 (-)	- (-)
	9. Actual Return on Plan Assets	26,887(-)	- (-)

Previous year figures have been given in bracket.

Actuarial Assumptions

- (i) Discount Rate 8% (P.Y. 8%)
(ii) Mortality LIC(1994-96(Duly Modified)
[P.Y. LIC(1994-96{Duly Modified})]
(iii) Turnover Rate Upto 30 Years:3%, 31-44:2%, Above 44-1%
(iv) Future Salary Increase 5.5% (P.Y. 5.50%)

22. (a) As per Computation made by the Company, provision of Rs. 5157 Lacs (Previous Year Rs. 1826 Lacs) towards Minimum Alternate Tax (MAT) as Tax payable under section 115JB of Income Tax Act, 1961 has been made. The MAT

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO
PART-IV OF SCHEDULE-VI TO THE COMPANIES ACT, 1956**

I	Registration Details:			
	Registration No.	15483	State Code No.06	
	Balance Sheet Date	31.03.2010		
II	Capital raised during the period (Amount in Rs.Lacs)			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement (On Account of Merger)	160,468
III	Position of Mobilisation and Deployment of Funds			(Amount in Rs. Lacs)
				As at 31.3.2010
	Total Liabilities			898,636
	Total Assets			898,636
	Sources of Funds			
	Paid-up Capital			209,568
	Reserve & Surplus			128,213
	Deferred Revenue			23,397
	Secured Loans			411,158
	Unsecured Loans			126,300
				<u>898,636</u>
	Application of Funds			
	Net Fixed Assets(including CWIP)			459,821
	Preoperative Expenses of New Projects (Pending Capitalisation)			24,231
	Investments			142,096
	Net Current Assets			272,488
	Miscellaneous Expenditure			-
	Accumulated Losses			-
				<u>898,636</u>
IV	Performance of Company (Amount in Rs. Lacs)			
	Turnover			71,779
	Extra ordinary items			-
	Total Expenditure			41,439
	Profit/(Loss) Before Tax			30,340
	Profit/(Loss) After Tax			25,155
	Earnings Per Share in Rs.(Weighted average)			1.20
	Dividend Rate			-
V	Generic Names of three Principal Products/Services of the Company (as per Monetary terms)			
	Item Code No.(ITC Code)			8502.30
	Product Description			Power Generation

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

R. NAGPAL
Partner
M.No. 81594
Firm Regn No. 002626N
Place: Noida
Dated: 29th May, 2010

R.K. Narang
Director

Suren Jain
Managing Director & CFO

R.K. Porwal
General Manager (F & A)

Manoj Gaur
Chairman
Sunil Kumar Sharma
Vice Chairman & CEO

M.M. Sibbal
General Manager &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in lacs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	01.04.2009 TO 31.03.2010		01.04.2008 TO 31.03.2009	
A. Cash flow from operating activities				
Profit before taxation & Extra ordinary item		30,340		16,557
Add Back				
Depreciation		9,510		4,697
Deferred Revenue on account of advance against depreciation	7,905			708
Less : Adjustment of tariff	375	7,530		—
Extra Ordinary Expenses		—		(438)
Amount written off-Miscellaneous Expenditure		61		—
(Gain)/Loss on sale of Assets		4		1
Interest & financial charges		23,643		8,194
Deduct:				
Interest Income (Interest on bank deposits)	(1,193)			(2,042)
Interest Income (Interest on Arrears)	(1,466)	(2,659)		
Other Income		(47)		(82)
Operating profit before working capital changes				
		68,382		27,595
Add:				
(Increase)/Decrease in Trade Debtor	(8,335)			9,376
Add: Transfer from amalgamating Company	5,364	(2,971)		
(Increase)/Decrease in Inventories	(351)			6
Add: Transfer from amalgamating Company	137	(214)		
(Increase)/Decrease in Loans and Advances and others	(2,247)			(85)
Add: Transfer from amalgamating Company	1,977	(270)	(3,455)	9,297
Deduct:				
Increase (Decrease) in Trade Payables	2,050			(549)
Less: Transfer from amalgamating Company	1,568	482		—
Increase (Decrease) in Provisions	111			(16)
Less: Transfer from amalgamating Company	82	29	511	—
Cash generated from Operations			65,438	36,327
Adjustments for :				
Income tax paid (net of refund)			(5,205)	(1,945)
Net cash inflow from operating activities — 'A'			60,233	34,382
B. Cash flow from Investing activities				
Outflow				
Investment in Fixed Assets/Capital Work in Progress	(83,700)			(3,136)
Less: Transfer from amalgamating Company	8,193	(75,507)		—
Work in Progress		—		—
Investment in Subsidiary	(134,571)			(3,700)
Less: Transfer from amalgamating Company	43,635	(90,936)		—
Inflow				
Sale of Assets	1			1
Interest Income	1,656			2,043
Other Income	47	1,704		82
Net cash used in investing activities — 'B'			(164,739)	(4,710)
C. Cash flow from Financing activities				
Inflow				
Increase in Share Capital		—		—
Increase in Borrowings-Net	576,529			15,000
Less: Transfer from Transfree Company	114,485	462,044		—
Outflow				
Decrease in Borrowings			(110,561)	(26,649)
Payment of Dividend and Dividend Distribution Tax			(4,299)	(8,519)
Interest & financial charges paid			(23,552)	(8,296)
Net cash in financing activities—'C'			323,632	(28,464)
D. CASH AND CASH EQUIVALENT ON AMALGAMATIONS —'D'			16,719	—
Net increase/(Decrease) in cash or cash equivalent (A+B+C+D)			235,845	1,208
Cash & cash equivalent at the commencement of the year (Opening balance)			5,034	3,826
Cash & cash equivalent at the end of the year (closing balance)			240,879	5,034

- Cash and Cash Equivalents:
Cash-in-hand and Balances with Scheduled Banks in Rupees [including Rs 195 Lakhs lying in Unpaid Dividend Account (Previous Year Rs 130 Lakhs) which are not available for use by the Company].
- Figures for the current year are post merger, hence not comparable with those of the previous year figures.
- Previous year figures have been regrouped/rearranged wherever necessary. Refer Point No. 2 of Schedule Q.

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

Manoj Gaur
Chairman

R. NAGPAL
Partner
M.No. 81594
Firm Regn No. 002626N

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida
Dated: 29th May, 2010

R.K. Sibbal
General Manager (F & A)

M.M. Sibbal
General Manager &
Company Secretary

ANNEXURE TO THE BALANCE SHEET AS AT 31ST MARCH 2010

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Company's Interest in the Subsidiary Company

S. No.	Name of Subsidiary Company	Jaypee Powergrid Limited	Bina Power Supply Company Limited	Jaypee Arunachal Power Limited	Prayagraj Power Generation Company Limited	Sangam Power Generation Company Limited
		[A]	[B]	[C]	[D]	[E]
1	Financial Year of the Subsidiary Company ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
2	Number of Shares held by Jaiprakash Power Ventures Limited and its nominees in the Subsidiaries Companies at the end of the financial year of the subsidiary companies.					
	(i) Equity Shares of Rs. 10/- each - fully paid - up	129,500,000	224,158,550	162,500,000	243,189,800	151,977,200
	(ii) Extent of holding	74%	100%	100%	100%	100%
	(iii) Share Application Money (Rs.)	345,000,000	-	-	-	-
3	Date from which it became Subsidiary Company	30.01.2007	01.04.2009	01.04.2009	23.07.2009	23.07.2009
4	The net aggregate of Profit/(Loss) of the Subsidiary Company as far as it concerns the members of the Holding Company:					
	(i) Not dealt with in the Holding Company's Accounts:	(Pls See Note Below)	(Pls See Note Below)	(Pls See Note Below)	(Pls See Note Below)	(Pls See Note Below)
	(a) For the Financial Year of the Subsidiary	N.A	N.A	N.A	N.A	N.A
	(b) For the Previous Financial Years since it became the Holding Company's Subsidiary	N.A	N.A	N.A	N.A	N.A
	(ii) Dealt with in the Holding Company's Accounts:	(Pls See Note Below)	(Pls See Note Below)	(Pls See Note Below)	(Pls See Note Below)	(Pls See Note Below)
	(a) For the Financial Year of the Subsidiary	N.A	N.A	N.A	N.A	N.A
	(b) For the Previous Financial Years since it became the Holding Company's Subsidiary	N.A	N.A	N.A	N.A	N.A
5	Changes in the interest of Jaiprakash Power Ventures Limited between the end of the Subsidiary's Financial Year and 31st March, 2010					
	- Number of Shares acquired	N.A	N.A	N.A	N.A	N.A
	- Material changes between the end of the Subsidiary's Financial Year and 31st March, 2010					
	(i) Fixed Assets (Net Addition) (Capital Work-in-Progress)	N.A	N.A	N.A	N.A	N.A
	(ii) Investments	N.A	N.A	N.A	N.A	N.A
	(iii) Moneys lent by the Subsidiary	N.A	N.A	N.A	N.A	N.A
	(iv) Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities	N.A	N.A	N.A	N.A	N.A

Note : All subsidiaries are in implementation stage.

As per our Report of even date attached to the Balance Sheet

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

R. NAGPAL
Partner
M.No. 81594
Firm Regn No. 002626N
Place: Noida
Dated: 29th May, 2010

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

M.K. Porwal
General Manager (F & A)

M.M. Sibbal
General Manager & Company Secretary

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF JAIPRAKASH POWER VENTURES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JAIPRAKASH POWER VENTURES LIMITED (Formerly Known as Jaiprakash Hydro-Power Limited) AND ITS SUBSIDIARIES

The Board of Directors

JAIPRAKASH POWER VENTURES LIMITED

(Formerly Known as Jaiprakash Hydro-Power Limited)

- We have audited the attached consolidated Balance Sheet of JAIPRAKASH POWER VENTURES LIMITED (Formerly Known as Jaiprakash Hydro-Power Limited) and its subsidiaries, as at 31st March, 2010, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of JAIPRAKASH POWER VENTURES LIMITED'S management and have been prepared by the management 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.
- 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 by 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.
- We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 1621.08 Crores as at 31st March, 2010, total revenue of Rs. Nil and total cash flows amounting to Rs. 99.57 Crores for

the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us. Our opinion is based solely on the report of the other auditors.

- We report that the consolidated financial statements have been prepared by JAIPRAKASH POWER VENTURES LIMITED'S management in accordance with the requirements of Accounting Standards (AS) 21, 'Consolidated Financial Statements', and Accounting Standards (AS) 23, Accounting for Investments in Associates in 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- Based on our audit and on consideration of report 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 give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the Consolidated Balance Sheet, of the state of affairs of JAIPRAKASH POWER VENTURES LIMITED and its subsidiaries as at 31st March, 2010.
 - in the case of the Consolidated Profit & Loss account, of the profit of JAIPRAKASH POWER VENTURES LIMITED and its subsidiaries for the year ended on that date; and
 - in the case of the Consolidated Cash Flow Statement, of the cash flows of JAIPRAKASH POWER VENTURES LIMITED and its subsidiaries for the year ended on that date.

For R. NAGPAL ASSOCIATES
Chartered Accountants

Place : Noida
Dated: 29th May, 2010

CA R. NAGPAL)

Partner

M.No. 81594

Firm Regn No.002626N

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. In Lacs)

PARTICULARS	SCHEDULE	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	209,568	49,100
Reserve & Surplus	B	127,237	58,415
MINORITY INTEREST			
(in subsidiaries)			
Share Capital		4,550	4,975
Share Application Money		1,300	–
DEFERRED REVENUE	C	23,397	7,764
LOAN FUNDS			
Secured Loans	D	554,847	91,125
Unsecured Loans	E	126,300	–
TOTAL SOURCES OF FUNDS		1,047,199	211,379
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	F	483,027	184,874
Less: Depreciation		60,249	26,412
Net Block		422,778	158,462
Capital Work in Progress		157,005	19,556
Preoperative Expenses of New Projects			
(Pending Capitalisation)	G	82,230	5,586
INVESTMENTS	H	40,000	–
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		2,170	490
Sundry Debtors		20,393	12,058
Cash & Bank Balances		258,717	12,367
Other Current Assets		9,265	9,092
Loans & Advances		92,057	9,188
		382,602	43,195
LESS: CURRENT LIABILITIES & PROVISIONS	J		
Current Liabilities		27,476	3,925
Provisions		10,124	11,679
		37,600	15,604
NET CURRENT ASSETS		345,002	27,591
MISCELLANEOUS EXPENDITURE	K	184	184
TOTAL APPLICATION OF FUNDS		1,047,199	211,379

Accounting Policies and Notes to the Accounts
As per our report of even date attached to the Accounts

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

Manoj Gaur
Chairman

R. NAGPAL
Partner
M.No. 81594
Firm Regn No. 002626N

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida
Dated: 29th May 2010

R.K. Porwal
General Manager (F & A)

M.M. Sibbal
General Manager &
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. In Lacs)

PARTICULARS	SCHEDULE	2009-10	2008-09
INCOME			
Sale of Electrical Energy (Net of advance against depreciation - see note 7 of the Schedule 'Q')		65,942	29,403
Less: Rebate for prompt payments		981	515
Sale of Verified Emission Reduction (VERs)		4,112	779
Other Income	L	2,706	2,124
		71,779	31,791
EXPENDITURE			
Operation & Maintenance	M	3,067	843
Employees Remuneration & Benefits	N	2,155	884
Administration & other expenses	O	3,003	616
Interest & Financial Charges	P	23,643	8,194
Miscellaneous Expenditure Written Off		147	-
Prior Period Expenses (Preliminary Expenses)		139	-
		32,154	10,537
Operating Profit		39,625	21,254
Depreciation		10,261	4,697
PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		29,364	16,557
Extra ordinary items:			
Add - Refund of interest from PFC for earlier years		-	2,328
Less - Adjustment of Tariff for FY 04 to FY 08		-	(2,766)
			(438)
PROFIT BEFORE TAX		29,364	16,119
Provision for Income Tax - Current Year		5,157	1,826
Provision for Income Tax - Earlier Years		27	-
Provision for Wealth Tax		1	-
Provision for Fringe Benefit Tax		-	7
		5,185	1,833
PROFIT AFTER TAX		24,179	14,286
Add: Profit brought forward from previous year		51,830	48,077
Add: Profit Transferred from Amalgamating Company		10,142	-
Add: Debenture Redemption Reserve Written Back		2,900	-
Less : Reversal of Foreign Exchange Fluctuation for FY 07-08		-	(1,201)
		64,872	46,876
PROFIT AVAILABLE FOR APPROPRIATION		89,051	61,162
APPROPRIATION:			
General Reserve		-	715
Reserve for Premium on Foreign Currency Convertible Bonds		243	-
Debenture Redemption Reserve		32	-
Interim Dividend		-	3,683
Income Tax on Interim Dividend		-	626
Final Dividend		-	3,682
Income Tax on Final Dividend		-	626
		275	9,332
BALANCE CARRIED TO BALANCE SHEET		88,776	51,830
Basic Earning Per Share (EPS), (in Rs.)		1.15	2.91
Diluted Earning Per Share (EPS), (in Rs.)		1.15	2.91

Accounting Policies and Notes to the Accounts **Q**
As per our report of even date attached to the Accounts

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES

Manoj Gaur

CHARTERED ACCOUNTANTS

Chairman

R. NAGPAL

R.K. Narang

Suren Jain

Sunil Kumar Sharma

Partner

Director

Managing Director & CFO

Vice Chairman & CEO

M.No. 81594

Firm Regn No. 002626N

Place: Noida

Dated: 29th May 2010

R.K. Porwal
General Manager (F & A)

M.M. Sibbal
General Manager &
Company Secretary

PARTICULARS	As at 31.03.2010	As at 31.03.2009
CONSOLIDATED SCHEDULE 'A'		
SHARE CAPITAL		
Authorised Capital		
390,00,00,000 Equity Shares of Rs. 10/- each (Previous year 50,00,00,000 Equity shares of Rs.10/- each)	<u>390,000</u>	<u>50,000</u>
Issued & Subscribed		
209,56,80,200 Equity Shares of Rs.10/- each (Previous year 49,10,00,600 Equity shares of Rs.10/- each fully paid up)	<u>209,568</u>	<u>49,100</u>
[160,46,79,600 Equity Shares (Previous year Nil) allotted as fully paid-up for consideration other than cash in terms of Scheme of Amalgamation effective from 14.12.2009]		
(Out of the total shares, 159,80,00,600 equity shares are held by Jaiprakash Associates Ltd.- the holding company.) (Previous year 31,10,00,600 equity shares of Rs. 10/- each)		
TOTAL	209,568	49,100

CONSOLIDATED SCHEDULE 'B'
RESERVE AND SURPLUS

General Reserve

Opening Balance	1,785	1,070	
Add : Transfer from Profit & Loss Account	-	715	
Add : Transfer from Amalgamating Company	<u>3,000</u>	<u>4,785</u>	1,785

Debenture Redemption Reserve

Opening Balance	4,800	4,800	
Add : Provisions for the year	32	-	
Add : Transfer from Amalgamating Company	2,900	-	
Less : Transfer to Profit & Loss Account on Redemption	<u>(2,900)</u>	<u>4,832</u>	4,800

Share Premium Account:

Opening Balance	-	-	
Add : Transfer from Amalgamating Company (Premium on issue of Equity Shares)	<u>39,299</u>	<u>-</u>	
Less: Goodwill Written Off as per Scheme of Amalgamation	<u>10,698</u>	<u>28,601</u>	-

Reserve for Premium on Foreign Currency Convertible Bonds

Opening Balance	-	-	
Add : Provisions for the year	<u>243</u>	<u>243</u>	-

Surplus

As per Profit & Loss Account	<u>88,776</u>	<u>51,830</u>	
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TOTAL	127,237	58,415
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CONSOLIDATED SCHEDULE 'C'
DEFERRED REVENUE

Advance against depreciation

Opening Balance	7,764	7,056	
Add : Transfer from Amalgamating Company	8,103	-	
Add: For the year	7,905	2,352	
Less : Adjustment of Tariff for FY 04 to FY 08	<u>(375)</u>	<u>(1,644)</u>	7,764

TOTAL	23,397	7,764
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(Rs. In Lacs)

PARTICULARS	As at 31.03.2010		As at 31.03.2009	
CONSOLIDATED SCHEDULE 'D'				
SECURED LOANS				
(Refer Note 5 of Schedule Q for Security)				
DEBENTURES:				
Redeemable Non-Convertible Debentures		116,488		19,156
TERM LOANS FROM:				
Financial Institutions		88,783		16,395
Banks		330,972	419,755	<u>44,047</u> 60,442
FOREIGN CURRENCY LOANS:				
Financial Institutions		10,592		705
Buyers' Credit		8,012	18,604	10,822 11,527
TOTAL		554,847		91,125

CONSOLIDATED SCHEDULE 'E'				
UNSECURED LOANS				
Foreign Currency Convertible Bonds (FCCB)		90,300		–
Short Term Loans from Banks		35,000		–
From Govt. of Uttarakhand		1,000		–
(Non Interest Bearing)				
TOTAL		126,300		–

CONSOLIDATED SCHEDULE 'F'
FIXED ASSETS (Rs. In Lacs)

S. No.	Particulars	Gross Block				Depreciation					Net Block		
		As at 1.4.2009	Assets Transferred on Amalgamation/ Acquisition	Additions during the Year	Sale / Transfer During the Year	As at 31.03.2010	Upto 31.03.2009	Assets Transferred on Amalgamation/ Acquisition	For the Year	Sale / Transfer During the Year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	GOODWILL	–	106,979	–	–	106,979	–	–	10,698	–	10,698	96,281	–
2	GOODWILL ON CONSOLIDATION	–	–	7,513	–	7,513	–	–	751	–	751	6,762	–
3	LAND												
	Lease hold Land	157	817	108	–	1,082	23	80	32	–	135	947	134
	Freehold Land	780	1,387	9,560	–	11,727	–	–	–	–	11,727	780	780
4	BUILDING, ROAD & BRIDGES	7,658	7,262	3,150	–	18,070	725	340	236	–	1,301	16,769	6,933
5	HYDRAULIC WORKS	65,474	90,499	30	–	156,003	8,324	6,838	4,227	–	19,389	136,614	57,150
6	TRANSMISSION LINE	23,793	–	–	–	23,793	3,730	–	645	–	4,375	19,418	20,063
7	PLANT AND MACHINERY	86,700	70,754	1,633	2,627	156,460	13,446	5,216	4,339	–	23,001	133,459	73,254
8	FURNITURE & FIXTURES	69	54	52	–	175	30	20	21	–	71	104	39
9	OFFICE EQUIPMENT	67	129	179	4	371	28	28	24	–	80	291	39
10	VEHICLES	176	263	159	16	582	106	36	46	12	176	406	70
11	CAPITAL EXPENDITURE ON ASSETS NOT OWNED BY THE COMPANY	–	269	–	–	269	–	269	–	–	269	–	–
12	INTANGIBLE ASSETS	–	3	–	–	3	–	3	–	–	3	–	–
	TOTAL	184,874	278,416	22,384	2,647	483,027	26,412	12,830	21,019	12	60,249	422,778	158,462
	PREVIOUS YEAR	172,269	0	12,613	8	184,874	21,716	0	4,703	7	26,412	158,462	
	CAPITAL WORK IN PROGRESS											157,005	19,556

Note :
1 Depreciation on Assets of Nigrie Thermal Power Project amounting to Rs. 33.49 Lac (Previous Year 16.03 Lac) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.
2 Goodwill created on amalgamation will be written off over a period of ten years. Refer Note No. 13 of Schedule 'Q'.

PARTICULARS	(Rs. In Lacs)	
	As at 31.03.2010	As at 31.03.2009
CONSOLIDATED SCHEDULE 'G'		
PRE-OPERATIVE EXPENSES OF NEW PROJECTS – PENDING CAPITALISATION		
Opening Balance as on 01.04.09	5,586	1,166
Add : Transfer from Amalgamation/Acquisition	14,637	–
Administrative & General Expenses	7	–
Advertisement & Publicity	160	4
Bank Charges	52	5
Bidding Expenses	11	–
Books and Periodicals	2	1
Communication Expenses	31	5
Compensation for Land,Crop,Forest,etc.	17,959	2,609
Consultancy Expenses	3,517	837
Depreciation	69	7
Directors' Sitting Fee	24	6
Employee Remuneration & Benefits	1,238	168
Environmental Management Plan Monitoring Cost	10	–
Equipment Hiring Charges	8	–
Finance Charges	33,549	789
Fixed Assets Written Off	3	–
Freight & Octroi	101	–
Helipad Expenses	5	–
Income Tax on Interest Received	57	–
Insurance	47	–
Lease Rent	22	–
Legal and Professional Expenses	1,643	121
Licence Fee	7	2
Miscellaneous Expenses	266	16
NOC Charges (Pollution Control)	5	–
Office & Camp Maintenance Expenses	237	–
Postage & Courier Expenses	1	–
Power Water & Electricity Charges	219	–
Printing & Stationery Expenses	17	2
Rent, Rate & Taxes	69	6
Repair & Maintenance	1	–
Royalty Paid	3	–
Security Trusteeship Fee	12	–
Service Tax Paid	2	–
Site Development Expenses	134	–
Staff Welfare Expenses	71	–
Stores & Spares Consumed	236	–
Testing Fees	35	–
Travelling & Conveyance	270	46
Upfront & Processing Fee	3,300	–
Vehicle Running & Maintenance	121	17
Auditor's Remuneration	–	–
– For Audit	11	2
– For Tax Audit	1	–
Provision for Leave encashment/Gratuity	16	3
Provision for Taxation	212	117
Provision for Wealth Tax	1	–
Provision for VAT	8	–
TOTAL	83993	5,929
Less:		
– Misc Receipts	–	–
– Transferred to Land Account	250	–
– Transferred to Advance for Water Cess	39	–
– Interest on Short Term Deposit with Banks	783	341
– Excess Provision Previous Year written back	436	–
– Bidding Fee (Net of Expenses)	14	2
– Foreign Exchange Variation	241	–
NET EXPENDITURE CARRIED TO BALANCE SHEET	82,230	5,586

PARTICULARS	(Rs. In Lacs)			
	As at 31.03.2010		As at 31.03.2009	
CONSOLIDATED SCHEDULE 'H'				
INVESTMENTS				
INVESTMENTS (AT COST)				
(A) Other Investments				
Un-Quoted				
i) 400,000,000 equity shares of Rs. 10/- each fully paid up of Jaypee Karcham Hydro Corporation Ltd. (Previous year Nil)	40,000	–		
TOTAL	40,000	–		
Note :				
1 Aggregate cost of Quoted Investments	NIL			
Aggregate cost of Unquoted Investments Rs. in Lacs	40,000			
2 All Investments are Non-trade, Long-term Investments				
CONSOLIDATED SCHEDULE 'I'				
CURRENT ASSETS, LOANS AND ADVANCES				
CURRENT ASSETS				
Inventories				
(As per Inventory taken, valued and certified by Management)				
i) Stores & Spares	1,061		490	
ii) Construction Materials	1,109	2,170	–	490
Sundry Debtors (Considered Good)				
Due for a period exceeding six months	9,944		10,035	
Other Debts	10,449	20,393	2,023	12,058
Cash and Bank Balances				
Cash In hand				
	37		5	
Balances with Scheduled Banks				
(i) In Current Account	23,691		190	
(ii) In Fixed Deposits	215,764		824	
(Pledged with Govt. Deptt./ Banks Rs.1,52,52,916/- Previous year Rs. 6,85,362/-)				
(iii) In Unpaid Dividend account	195		130	
Trust & Retention Account				
(i) In Current Account	4,352	2,943		
(ii) In Fixed Deposits	14,678	19,030	258,717	8,275
Other Current Assets				
a) Interest accrued (including interest receivable from HPSEB)	3,709		2,714	
b) Interest Accrued (Interest receivable on Fixed Deposits from Banks)	244		–	
c) Price Variation Recoverable	–		181	
d) Deferred Receivable	5,312	9,265	6,197	9,092
A		290,545		34,007
Loans and Advances				
(Unsecured, considered Good)				
Advances recoverable in cash or in kind or for value to be received.		69,788		119
Interest Recoverable from Power Finance Corporation		–		1,736
Staff Imprest & advances		19		9
Prepaid Expenses		3,961		38
Security Deposits – with Govt. Deptts., Public bodies	7,866		1	
– Others	140	8,006	127	128
Advance Tax & Tax Deducted at Source		10,283		7,158
B		92,057		9,188
TOTAL (A + B)		382,602		43,195

(Rs. In Lacs)

PARTICULARS	As at 31.03.2010		As at 31.03.2009	
CONSOLIDATED SCHEDULE 'J'				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors				
– Micro, Small Scale, Medium Scale Industries/Enterprises	–		–	
– Others	<u>20,159</u>	<u>20,159</u>	<u>1,464</u>	<u>1,464</u>
Due to Staff		150		60
Due to Directors'		3		–
Other Liabilities		5,577		2,089
Interest Accrued but not Due on loans		1,392		182
Investors Education & Protection Fund: (Appropriate amounts shall be transferred to Investor Education & Protection Fund, if and when due)				
– Unclaimed Dividend		195		130
A		27,476		3,925
PROVISIONS				
Taxation		9,868		7,192
Fringe Benefit Tax		15		25
Provident fund		14		11
Bonus & Incentive		50		62
Gratuity		44		44
Leave Encashment		130		37
Dividend		–		3,682
Dividend Tax		–		626
Wealth Tax		3		–
B		10,124		11,679
TOTAL (A + B)		37,600		15,604
CONSOLIDATED SCHEDULE 'K'				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Preliminary & Share issue Expenses - Opening Balance	184		184	
Add : Transfer from Amalgamating Company	269	–		
Less: Written Off	<u>269</u>	<u>184</u>	<u>–</u>	<u>184</u>
Deferred Revenue Expenditure - Opening Balance	–		–	
Add : Transfer from Amalgamating Company	3		–	
Less: Written Off	<u>3</u>	<u>–</u>	<u>–</u>	<u>–</u>
TOTAL		184		184
CONSOLIDATED SCHEDULE 'L'				
OTHER INCOME				
Interest on deposits with banks (TDS Rs. 1,49,92,507/- Previous year Rs. 63,71,839/-)		1,193		282
Interest on Arrears		1,466		1,760
Others (including sale of scrap and sundry balances written back)		47		82
TOTAL		2,706		2,124
CONSOLIDATED SCHEDULE 'M'				
OPERATION & MAINTENANCE (O & M)				
Stores & Spares consumed		299		229
Repairs to Building		96		30
Repairs to Machinery		2,067		234
Repairs to Barrage		2		17
O & M Charges		214		126
Insurance		389		207
TOTAL		3,067		843

(Rs. In Lacs)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
CONSOLIDATED SCHEDULE 'N'		
EMPLOYEES REMUNERATION & BENEFITS		
Employees Remuneration & Benefits	1,662	683
Contribution to Provident and other funds	88	40
Workmen & Staff Welfare Expenses	151	68
Gratuity	32	7
Leave Encashment	54	7
Director Remuneration	168	79
TOTAL	2,155	884
CONSOLIDATED SCHEDULE 'O'		
ADMINISTRATION & OTHER EXPENSES		
Advertisement	446	21
Business Promotion	4	3
Consultancy, Legal & Professional Fee	1,452	101
Courier & Postage	95	59
Directors' Sitting Fee	36	18
Internal Auditors' Fee	5	5
Lease Rent of land	56	17
Listing & Custodial Fee	43	28
Miscellaneous Expenses	136	53
Power & fuel	332	119
Printing & Stationery	70	38
Rent	61	50
Taxes & Fees	11	11
Telephone and Telex	12	7
Travelling & Conveyance	171	64
Vehicle Running & Maintenance	48	13
<u>Auditor's Remuneration</u>		
For Audit	22	8
For Tax Audit	3	1
TOTAL	3,003	616
CONSOLIDATED SCHEDULE 'P'		
INTEREST & FINANCIAL CHARGES		
Interest		
Debentures	2,407	2,323
Term Loans	18,993	5,681
Working Capital	675	4
Financial charges		
DPG Commission	172	143
Front end fee and other charges	1,374	43
Security & Trusteeship Fee	22	-
TOTAL	23,643	8,194

CONSOLIDATED SCHEDULE "Q"
ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Consolidated Financial Statements:

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standards AS-21 on Consolidated Financial Statements, AS-23 on Accounting for Investment in Associates in Consolidated Financial Statements and AS-27 on Financial Reporting of Interests in Joint Ventures.
- (ii) The financial statements of the Subsidiary Companies used in the consolidation are drawn upto the same reporting date, as that of the Parent Company, Jaiprakash Power Ventures Limited (JPVL) (Formerly known as Jaiprakash Hydro Power Limited).

(iii) The accounts are prepared on the historical cost basis and on the principles of a going concern.

(iv) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(b) Principles of Consolidation:

- (i) The financial statements of JPVL (Formerly known as Jaiprakash Hydro Power Limited) and its subsidiaries are consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-company balances, intra-company transactions and unrealised profits / losses.
- (ii) The financial statements of JPVL (Formerly known as Jaiprakash

Hydro Power Limited) and its subsidiaries are consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

- (iii) The difference between the cost to JPVL (Formerly known as Jaiprakash Hydro Power Limited) of its investments in each of the subsidiaries over its equity in the respective subsidiary, on the acquisition date, is recognized in the financial statement as Goodwill or Capital Reserve, as the case may be. Goodwill is amortised over a period of ten years.

(c) Revenue Recognition:

- (i) **300 MW BASPA-II HEP** : Revenue from sale of electrical energy is accounted for on the basis of billing to Himachal Pradesh State Electricity Board (HPSEB) as per Tariff approved by Himachal Pradesh Electricity Regulatory Commission (HPERC) in accordance with the provisions of Power Purchase Agreement dated 4th June 1997, Amendment No.1 dated 07.01.1998 executed between the Company and HPSEB.

400 MW Vishnuprayag HEP : Revenue from sale of electrical energy is accounted for on the basis of billing to Uttar Pradesh Power Corporation Limited (UPPCL) as per Tariff approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of Power Purchase Agreement dated 16.01.2007, executed between the Company and UPPCL.

- (ii) Revenue from sale of Verified Emission Reductions (VERs) is accounted for on receipt basis.
- (iii) Insurance claims are accounted for on receipt basis or as acknowledged by the Insurance company.
- (iv) Other Income and cost/expenditure are accounted for on accrual basis as they are earned or incurred.
- (v) Advance against depreciation claimed /to be claimed as part of tariff in terms of PPA during the currency of loans to facilitate repayment installments is treated as 'Deferred Revenue'. Such Deferred Revenue shall be included in Sales in subsequent years.

(d) Fixed Assets:

Fixed Assets are stated at Cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings and financing cost upto the of commissioning.

(e) Depreciation:

- (i) Premium on Leasehold Land is amortised over the period of lease.
- (ii) (a) **300 MW BASPA-II HEP** : Depreciation has been provided @2.71% p.a. on straight line method on Hydro Electric Works w.e.f. 24.5.2003 as approved by The Ministry of Company Affairs, Government of India in exercise of the powers conferred under section 205 (2) (c) of the Companies Act 1956 vide their letter no. 45/1/2006-CL-III dated 26.6.2006.
- (b) **400 MW Vishnuprayag HEP** : Depreciation has been provided @2.71% p.a. on straight line method on Hydro Electric Works w.e.f. 17.06.2006 as approved by The Ministry of Company Affairs, Government of India in exercise of the powers conferred under section 205 (2) (c) of the Companies Act 1956 vide their letter no. 45/7/2006-CL-III dated 03.05.2007.
- (iii) Fixed Assets other than Hydro Electric Works are depreciated as per straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (iv) Depreciation on Assets of the Rs. 5,000 or less is provided at 100% irrespective of the actual period of use.

(f) Expenditure during Construction Period:

Expenditure incurred on projects/assets during construction/ implementation is capitalized and apportioned to projects/ assets on commissioning.

(g) Foreign Currency Transactions:

- (i) Transactions in Foreign Currency are recorded in the Books of Accounts in Indian Currency at the rate of exchange prevailing on the date of transaction.
- (ii) All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in Indian Currency at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Foreign Exchange gain/loss is being adjusted against the cost of assets in terms of the amendment to Accounting Standard (AS-11) issued vide Notification dated 31st March, 2009 by Ministry of Corporate Affairs, Govt. of India .

(h) Investments:

Investments are stated at Cost and where there is permanent diminution in the value of Investments a provision is made wherever applicable. Dividend will be accounted for as and when received.

(i) Inventories:

- (a) Inventories of Stores & Spares are valued on the basis of Weighted Average Cost Method.
- (b) Material-in-transit is valued at cost.

(j) Employees Benefits:

Employees Benefits are provided in the books as per AS-15 (revised) in the following manner:

- i) Provident Fund and Pension contribution as a percentage of salary/ wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- ii) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

(k) Borrowing Costs:

Borrowing costs attributable to the procurement/construction of fixed assets are capitalised as part of the cost of the respective assets upto the date of commissioning. Other borrowing costs are recognized as expense during the year in which they are incurred.

(l) Taxes on Income:

Provision for current tax is being made after taking into consideration benefits admissible to the company under the provisions of the Income Tax Act, 1961.

Deferred Tax Liability, if any is computed as per in accordance with Accounting Standard [AS-22]. Deferred Tax Asset and Deferred Tax Liability are computed by applying rates and tax laws that have been enacted upto the Balance Sheet date.

(m) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and if is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(n) Earnings Per Share:

Basic earning per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(o) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated

in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

(p) Intangible Assets:

- (i) Intangible assets are stated at cost of acquisition less accumulated amortisation on straight line basis from the date the assets are put for commercial use.
- (ii) As provided in the Scheme of Amalgamation approved by Hon'ble High Court of Shimla (H.P.), "Goodwill arising on Amalgamation will be written off over a period not exceeding ten years against Securities Premium Account and/or Capital Reserves and/or General Reserves and/or balance standing to the credit of Profit & Loss account, as may be decided from time to time by the Board of Directors".

(q) Segment Reporting:

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, Liabilities, Revenue and Expenses which are not allocable to separate segment on a reasonable basis, are included under "Unallocated".

(B) AMALGAMATION

Pursuant to the Scheme of Amalgamation ["the Scheme"] U/s 391/394 of the Companies Act, 1956, (i) Erstwhile Jaiprakash Power Ventures Limited (Amalgamating Company) engaged in business of generation of Hydro-electric Power (400 MW HEP) and implementing 1320 MW Super Critical Thermal Power Project stand merged with Jaiprakash Hydro Power Limited (Amalgamated Company) also engaged in generation of hydro power (300 MW HEP) w.e.f 01.04.2009 ["the Appointed date"] in terms of the Order dated 14.12.2009 of Hon'ble High Court of Himachal Pradesh at Shimla sanctioning the Scheme and is effective from 14.12.2009.

With effect from the Appointed date, all the business undertakings, assets, liabilities, rights and obligations of the Amalgamating Company stood transferred to and vested in the Amalgamated Company in consideration for issue of three equity shares of Rs. 10/- each in the Amalgamated Company for every one equity share of Rs. 10/- each held in Jaiprakash Power Ventures Limited (Amalgamating Company).

The Amalgamating Company carried on all the businesses and activities for the benefit of and in trust for the Amalgamated Company from the Appointed date. Thus, the profit or income accruing or arising to the Amalgamating Company or expenditure or losses arising or incurred from the Appointed date are treated as profit or income or expenditure or loss as the case may be of the Amalgamated Company. The Scheme has accordingly been given effect to in these accounts.

The Amalgamation has been accounted for under the "Pooling of Interests method" as prescribed in Accounting Standard 14 - Accounting for Amalgamations [AS-14] issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and reserves of the Amalgamating Companies have been taken over at their book values on the Appointed dated i.e. 01.04.09 as detailed hereunder:

Erstwhile Jaiprakash Power Ventures Limited (Amalgamating Company)

Assets	Rupees
Fixed Assets [including Capital Work-in-Progress]	16,028,217,564
Current Assets	2,695,457,978
Pre-Operative Expenses of New Projects (Pending Capitalisation)	572,355,117
Investments	4,363,499,891
Miscellaneous Expenditure	6,135,671
Total	23,665,666,221

Liabilities	Rupees
Reserve and Surplus:	5,534,150,371
Share Premium	3,929,866,085
Debenture Redemption Reserve	290,000,000
General Reserve	300,000,000
Profit and Loss Account	1,014,284,286
Current Liabilities	523,792,430
Secured and Unsecured Loans	11,448,475,424
Deferred Revenue	810,315,996
Total	18,316,734,221

Net Assets over Liabilities

Represented by Number of Equity Shares
534,893,200 of Rs. 10/- each 5,348,932,000

Consideration

Number of Equity Shares of Rs. 10/- each [to be allotted by the Amalgamated Company]	1,604,679,600
Addition to Equity Share Capital	Rs. 16,046,796,000
Balance debited to Goodwill on Amalgamation	Rs. 10,697,864,000

Pursuant to sanction of the Scheme of Amalgamation:

Authorised Share Capital of the Company stands increased as under	No. of Shares
(a) Equity Shares of Rs. 10/- each	3,900,000,000
(b) Equity Shares of Rs. 10/- each [to be allotted by the Amalgamated Company]	160,46,79,600
(c) Addition to Equity Shares Capital	Rs. 16,046,796,000
(d) Goodwill on Amalgamation	Rs. 10,697,864,000

As per Scheme of Amalgamation, the name of Company has been changed to Jaiprakash Power Ventures Limited w.e.f 23.12.2009.

The current year figures are of the consolidated merged entity i.e. Jaiprakash Power Ventures Limited (Formerly known as Jaiprakash Hydro Power Limited), Bina Power Supply Company Limited, Jaypee Powergrid Limited, Jaypee Arunachal Power Limited, Prayagraj Power Generation Company Limited, Sangam Power Generation Company Limited therefore not comparable that of the previous year which are of Jaiprakash Power Ventures Limited (Formerly known as Jaiprakash Hydro Power Limited) and Jaypee Powergrid Limited.

(C) NOTES TO THE ACCOUNTS

1. Subsidiary

The Consolidated Financial Statements present the Consolidated Accounts of Jaiprakash Power Ventures Limited (Formerly known as Jaiprakash Hydro Power Limited) with its following Subsidiaries:

S. No.	Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
[a]	Bina Power Supply Company Limited	India	100%
[b]	Jaypee Powergrid Limited	India	74%
[c]	Jaypee Arunachal Power Limited	India	100%
[d]	Prayagraj Power Generation Company Limited	India	100%
[e]	Sangam Power Generation Company Limited	India	100%

2. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed such Policies and Notes in the individual financial statements, which fairly present the needed disclosures.

3. Contingent Liability not provided for in respect of :

S. No.	Particulars	2009-10 Rs.	2008-09 Rs.
(a)	Outstanding Letters of Credit	30,49,22,392	6,87,63,850
	Margin Money deposited against the above	1,44,53,916	6,85,362

- (b) Outstanding amount of Bank Guarantee **1,00,44,00,152** –
Margin Money deposited against the above **98,60,300** –
- (c) Estimated amount of Contracts **Rs. 43,45,61,12,000** 117,12,09,398
remaining to be executed on **JPY 23,05,30,43,000**,
capital account and not **USD 26,90,31,000 &**
provided for **EURO 22,73,00,000**
- (d) Claims against the Company **4,39,74,413** 6,29,13,672
not acknowledged as debts
4. In the opinion of Board of Directors, 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.
5. (a) Jaiprakash Associates Limited (JAL), the holding Company of Jaiprakash Power Ventures Ltd. (JPVL) (Formerly known as Jaiprakash Hydro Power Limited), has furnished Corporate Guarantees for the financial assistance outstanding as on 31.03.2010 amounting to Rs. 1,98,00,25,692/- (Previous Year Rs. 248,41,11,445/-) to the Financial Institutions and Banks and have also pledged 29,49,99,900 Equity Shares of Rs.10/- each of JPVL (Formerly known as Jaiprakash Hydro Power Limited) held by it with IFCI Ltd. to collaterally secure the financial assistance granted to JPVL (Formerly known as Jaiprakash Hydro Power Limited), by the Financial Institutions and Banks, namely ICICI Bank, IDBI, PFC, LIC, IFCI, Bank of Baroda, Punjab National Bank, Indian Overseas Bank, State Bank of Indore, State Bank of Hyderabad, and Axis Bank. ICICI Bank, State Bank of Hyderabad, IDBI, State Bank of Indore, Punjab National Bank, LIC and Indian Overseas Bank have since released the aforesaid corporate guarantees furnished by JAL and Bank of Baroda & IFCI (taken over loan from IIBI) have agreed to release the same subject to similar approval by other Term Lenders to JPVL (Formerly known as Jaiprakash Hydro Power Limited).
- (b) JAL, the Holding Company has furnished Corporate Guarantees for financial assistance outstanding as on 31.03.2010 amounting to US\$ 22,344,500 for 400 MW Vishnuprayag HEP .
- (c) JAL, the Holding Company has pledged 74.16 Crore Equity Shares of Rs.10/- each of JPVL for Financial Assistance granted to Vishnuprayag Project.
- (d) JAL, the Holding Company has pledged 24.14 Crore Equity Shares of Rs.10/- each of JPVL for Corporate Loan of Rs. 1,000 Crore of JPVL.
- (e) (i) 5,25,00,000 Equity Shares of Rs. 10/- each fully paid (Previous Year 2,25,00,000) held by the company of Jaypee Powergrid Ltd. (Subsidiary Company) are pledged with IDBI Trusteeship Services Limited, as collateral security for the financial assistance granted by lenders to Jaypee Powergrid Ltd.
- (ii) 12,00,00,000 Equity Shares of Rs. 10/- each fully paid (Previous Year Nil) held by the company of Jaypee Karcham Hydro Corporation Ltd. (Fellow Subsidiary Company) are pledged with IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Jaypee Karcham Hydro Corporation Ltd.
- (iii) 11,43,20,861 Equity Shares of Rs. 10/- each fully paid (Previous Year Nil) held by the company of Bina Power Supply Company Ltd. (Subsidiary Company) are pledged with IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Bina Power Supply Company Ltd.
6. 300 MW BASPA-II HEP: The Himachal Pradesh Electricity Regulatory Commission (HPERC) have passed the Multi Year Tariff (MYT) Order for F.Y. 09, 10 and 11 on 30th March, 2009 and has also truedup the Tariff for F.Y. 04 to 08 based on actuals for the period. The Company has filed Review Application with HPERC for rectification of certain items of Tariffs for FY 04 to 08 and for FY 09. Accordingly, the receivables to the extent of Rs.56.07 crores from HPSEB in respect of review items are subject to final decision on the Review Application / other legal remedies available to the Company.

7. As per accounting policy the Advance Against Depreciation amounting to Rs. 7,905 lacs (Previous Year Rs. 2,352 lacs) has been treated as Deferred Revenue.
8. Earnings Per Share is computed in accordance with Accounting Standard – AS 20 issued by the Institute of Chartered Accountants of India:

(Amount in Rs.)

S. No.	Particulars	2009-10	2008-09
[a]	Net Profit for Basic Earnings Per Share as per Profit & Loss Account	2,41,78,02,887	142,85,45,078
	Adjustment for the purpose of Diluted Earnings Per Share	–	–
	Net Profit for Diluted Earnings Per Share	2,41,78,02,887	142,85,45,078
[b]	Weighted average number of equity shares for Earnings Per Share computation:		
[i]	Number of Equity Shares at the beginning of the year	49,10,00,600	49,10,00,600
[ii]	Number of Shares allotted on amalgamation	160,46,79,600	–
[iii]	Weighted average shares allotted/to be allotted during the year	209,56,80,200	49,10,00,600
[iv]	Number of potential Equity Shares	10,75,35,026	–
[v]	Weighted average for:		
	[a] Basic Earnings Per Share	209,56,80,200	49,10,00,600
	[b] Diluted Earnings Per Share	210,95,27,176	49,10,00,600
[c]	Earnings Per Share		
	[i] Basic	Rs. 1.15	Rs. 2.91
	[ii] Diluted	Rs. 1.15	Rs. 2.91
[d]	Face Value Per Share	Rs. 10.00	Rs. 10.00

9. Provisions for Taxation have been made as per individual accounts of the Companies.
10. Capital Work-in-progress includes Civil Works, Machinery Under Erection and in transit Construction, Advance to Suppliers, Pre-operative Expenses and Incidental Expenditure Pending Allocation - Rs.2,39,236 Lacs (Previous Year Rs. 25,143 lacs).

11. Managerial remuneration paid/ payable by the Company and its subsidiaries to Managing / Whole-time Directors [excluding provisions for Gratuity & Leave Encashment on Retirement] :

	2009-10 *(Rs.)	2008-09(Rs.)
Salary	2,09,24,517	81,40,683
Provident Fund	23,38,142	9,76,882
Perquisites	2,08,33,148	61,20,424
Total	4,40,95,807	1,52,37,989

- (*) Including remuneration/Ex Gratia paid to Directors of Amalgamating Company.

12. Related Party disclosures, as required in terms of “Accounting Standard [AS] 18” are given below:

1. Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors):

(a) Holding Company:

Jaiprakash Associates Limited.

(b) Fellow Subsidiary Companies:

- (1) Jaypee Karcham Hydro Corporation Limited

- (2) Himalayan Expressway Limited
- (3) Jaypee Infratech Limited
- (4) JPSK Sports Private Limited
- (5) Madhya Pradesh Jaypee Minerals Limited
- (6) Bhilai Jaypee Cement Limited
- (7) Bokaro Jaypee Cement Limited
- (8) Gujarat Jaypee Cement & Infrastructure Limited
- (9) Jaypee Agra Vikas Limited(w.e.f.16.11.2009)
- (10) Jaypee Ganga Infrastructure Corporation Limited

(c) Associate Companies / Concerns :

- (1) Jaypee Ventures Private Limited
- (2) Jaypee Development Corporation Limited (subsidiary of Jaypee Ventures Private Limited)
- (3) JIL Information Technology Limited (subsidiary of Jaypee Ventures Private Limited)
- (4) Gaur & Nagi Limited(subsidiary of JIL Information Technology Limited)
- (5) Jaiprakash Kashmir Energy Limited
- (6) Indesign Enterprises Pvt. Limited(subsidiary of Jaypee Ventures Private Limited) (w.e.f. 24.08.2009)
- (7) Sonebhadra Minerals Pvt. Limited
- (8) RPJ Minerals Pvt. Limited
- (9) Jaypee Petroleum Private Limited(subsidiary of Jaypee Ventures Private Limited)
- (10) Jaypee Hydro-Carbons Private Limited(subsidiary of Jaypee Ventures Private Limited)
- (11) Tiger Hills Holiday Resort Private Limited(subsidiary of Jaypee Development Corporation Limited) (w.e.f. 27.10.2009)
- (12) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 01.05.2009)
- (13) Vasujai Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (14) Samsun Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (15) Sunvin Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (16) Manumanik Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (17) Arman Estate Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (18) Suneha Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (19) Pee Gee Estates Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (20) Vinamra Housing & Constructions Private Limited (subsidiary of Jaypee Ventures Private Limited) (w.e.f. 27.02.2010)
- (21) Sarveshwari Stone Products Private Limited(subsidiary of RPJ Minerals Private Limited) (w.e.f. 23.10.2009)
- (22) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (23) MP Jaypee Coal Limited (w.e.f. 14.05.2009)
- (24) MP Jaypee Coal Fields Limited (w.e.f. 04.01.2010)
- (25) Jaypee Spa Infocom Limited (subsidiary of Jaypee Ventures Private Limited) (Upto 25.02.2010)

(d) Key Management Personnel:

- (i) Jaiprakash Power Ventures Limited (Formerly known as Jaiprakash Hydro Power Ltd)
 - [i] Shri Manoj Gaur, Chairman

- [ii] Shri S.K. Sharma, Vice Chairman and CEO
 - [iii] Shri Suresh Kumar, Executive Chairman (upto 30.06.2009(*))
 - [iv] Shri Suren Jain, Managing Director and CFO (*)
 - [v] Shri Arun Gupta, Whole-time Director (upto 14.12.2009) (*)
 - [vi] Shri Ravi Chadha, Whole-time Director (01.04.2009 to 14.12.2009)(*)
 - [vii] Shri J.N. Gaur, Whole-time Director
 - [viii] Shri R.K. Narang, Whole-time Director,
 - [ix] Shri Suresh Chandra, Whole-time Director
- (*) Directors of erstwhile Jaiprakash Power Ventures Limited (Amalgamating Company)

(II) Jaypee Powergrid Limited

- [i] Shri Rajiv Ranjan Bhardwaj, Managing Director
- [ii] Shri Prabhakar Singh, Whole-time Director

(III) Bina Power Supply Company Limited

- [i] Shri Suren Jain , Director
- [ii] Shri V. K. Sriwastava, Whole-time, Director

(IV) Sangam Power Generation Company Limited

- [i] Shri Manoj Gaur, Director
- [ii] Shri Sunil Kumar Sharma, Director
- [iii] Shri Sameer Gaur, Director
- [iv] Shri Suren Jain, Director

(V) Prayagraj Power Generation Company Limited

- [i] Shri Manoj Gaur, Director
- [ii] Shri Sameer Gaur, Director
- [iii] Shri Suren Jain, Director

(VI) Jaypee Arunachal Power Limited

- [i] Shri Pankaj Gaur, Director

2. Transactions carried out with related parties referred to above:

(Amount in Rs)

Name of Transactions	Related Parties			
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
Expenses				
Hiring Charges	23,94,451			
(Previous Period)	(19,55,17,194)			
Rent	64,32,000			
(Previous Year)	(45,23,438)			
Consultancy	3,30,900		6,61,80,000	
(Previous Year)	(-)		(-)	
Contract and material				
Purchase	92,60,41,994			
(Previous Year)	(1,48,20,200)			
Other Expenses	8,97,42,668	-	2,57,37,264	
(Previous Year)	(1,08,68,283)	(3,34,188)	(16,40,383)	
Salary & Perquisites				4,40,95,807
(Previous Year)				(1,52,37,989)
Services Availed	14,59,259		1,05,07,517	
(Previous Year)	(-)	(-)	(-)	
Outstandings - Payables				
Amount payable	13,55,73,230	-	2,02,673	3,00,880
(Previous Year)	(41,55,202)	(-)	(-)	(8,500)
Outstandings - Receivables				
Amount Receivables	28,23,06,655			
(Previous Year)	(1,00,00,000)			
Investment in Share				
Capital		4,00,00,00,000		
(Previous Year)		(-)		

Guarantees given by the holding company on behalf of the JPVL (Formerly known as Jaiprakash Hydro Power Limited) have been mentioned elsewhere in the Notes to Accounts.

13. (a) The Company has decided to write off the Goodwill arising on Amalgamation from Share Premium Account for the year under review and accordingly the amount of Rs. 10,698 Lac has been adjusted from Share Premium Account. Goodwill arising on Amalgamation will be written off over a period of ten years.
- (b) Goodwill amounting to Rs. 7,513 Lac (Previous Year Nil) has now arisen on consolidation of accounts between parent company and the subsidiary company i.e. Bina Power Supply Company Limited, Jaypee Powergrid Limited, Jaypee Arunachal Power Limited, Prayagraj Power Generation Company Limited and Sangam Power Generation Company Limited. Since goodwill is to be amortised over a period of ten years an amount of Rs. 75.13 Lac (Previous Year Nil) has been written off and included in the depreciation for the year ended 31st March, 2010.
14. (a) The Company has presently one operative segment i.e. Generation of Power and Transmission, hence, separate segment reporting are not applicable.
- (b) The operations of the Company are carried within the Country and therefore geographical segments are not applicable.
15. Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Department of Company Affairs (As certified by the Management)

S.No.	Particulars	2009-10	2008-09
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	– Principal Amount	Nil	Nil
	– Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of section 166, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the Period of delay in making payment (which have been paid but beyond the appointed during period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

16. The Central Government in exercise of the powers conferred by sub-section 8 of section 212 of the Companies Act 1956 has directed vide Ministry

of Corporate Affairs letter Nos. 47/504/2010-CL-III dated 17.05.2010 that the provisions contained in sub-section (1) of section 212 of the Companies Act 1956, requiring annual accounts of the Subsidiaries to be attached to the annual accounts of the Holding Company, shall not apply in respect of the Company's Subsidiaries for the financial year ended on 31.03.2010 subject to, inter alia, presentation of consolidated financial statements of subsidiaries duly audited and disclosure of following information:

(Rs. in Lacs)

Particulars	Sangam	Prayagraj	Jaypee	Bina Power	Jaypee
	Power	Power	Power	Supply	Arunachal
	Generation	Generation	Grid	Company	Power
	Co. Ltd.	Co. Ltd.	Ltd	Ltd.	Ltd.
Capital (including Share Application Money)	15,198	24,319	22,250	22,416	16,250
Reserves	–	–	(12,500)	–	–
	(7)	(6)	–	(85)	(126)
	–	–	–	–	–
Total Assets	23,759	84,359	68,205	74,447	16,854
	–	–	(33,013)	–	–
Total Liabilities (including Loans)	8,568	60,046	45,955	52,116	730
	–	–	(20,513)	–	–
Investment details (including Share Application Money) Jaypee Karcham Hydro Corporation Ltd. (40,00,00,000 Equity shares of Rs.10 each)	–	–	–	–	–
Turnover (including Other Income)	–	–	–	–	–
Profit Before Taxation	(7)	(6)	–	(85)	(126)
Provision for Taxation	–	–	–	–	–
Profit After Taxation	(7)	(6)	–	(85)	(126)
Proposed Dividend [including Dividend Distribution Tax]	–	–	–	–	–

17. Previous Year's figures have been regrouped/re-arranged wherever considered necessary to make them comparable to the Current Year.

18. In terms of 'Accounting Standard (AS) 28', the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.

19. All the figures have been rounded off to the nearest rupees in lacs except in the Notes to the Accounts.

Signature to Schedules "A to "Q"

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

Manoj Gaur
Chairman

R. NAGPAL
Partner
M.No. 81594
Firm Regn No. 002626N

R.K. Narang
Director
Managing Director
& CFO

Sunil Kumar Sharma
Vice Chairman
& CEO

Place: Noida
Dated: 29th May 2010

R.K. Porwal
General Manager (F & A)

M.M. Sibbal
General Manager &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in lacs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	01.04.2009 TO 31.03.2010		01.04.2008 TO 31.03.2009	
A. Cash flow from operating activities				
Profit before taxation & Extra ordinary item		29,364		16,557
Add Back				
Depreciation	10,261		4,697	
Deferred Revenue on account of advance against depreciation	7,530		708	
Extra Ordinary Items	—		(438)	
Amount written off-Miscellaneous Expenditure and Preliminary expenses	286		—	
(Gain)/Loss on sale of Assets	4		1	
Interest & financial charges	23,643	41,724	8,194	13,162
Deduct:				
Interest Income	(2,659)		(2,042)	
Other Income	(47)	(2,706)	(82)	(2,124)
Operating profit before working capital changes		68,382		27,595
Add:				
(Increase)/Decrease in Trade Debtor	(8,335)		9,376	
Add: Adjustment (Refer Note No. 1)	5,364	(2,971)		
(Increase)/Decrease in Inventories	(1,680)		7	
Add: Adjustment (Refer Note No. 1)	137	(1,543)		
(Increase)/Decrease in Loans and Advances and others	(78,914)		(238)	
Add: Adjustment (Refer Note No. 1)	4,886	(74,028)		9,145
		(78,542)		36,740
		(10,160)		
Deduct:				
Increase (Decrease) in Trade Payables	23,336		2,694	
Less :Adjustment (Refer Note No. 1)	3,104	20,232		
Increase (Decrease) in Provisions	84		85	
Less :Adjustment (Refer Note No. 1)	2,517	(2,433)		2,779
Cash generated from Operations		7,639		39,519
Adjustments for :				
Income tax paid (net of refund)		(5,526)		(2,045)
Net cash inflow from operating activities——'A'		2,113		37,474
B. Cash flow from Investing activities				
Outflow				
Investment in Fixed Assets/Capital Work in Progress		(187,764)		(26,690)
Investment in Fellow subsidiary		(40,000)		
Inflow				
Sale of Assets	1		1	
Interest Income	1,656		2,043	
Other Income	47	1,704	82	2,126
Net cash used in investing activities——'B'		(226,060)		(24,564)
C. Cash flow from Financing activities				
Inflow				
Increase in Share Capital		2,600		1,300
Increase in Borrowings	703,210		32,008	
Less :Adjustment (Refer Note No. 1)	114,485	588,725	—	32,008
Outflow				
Decrease in Borrowings		(110,561)		(26,649)
Payment of Preliminary expenses		(13)		—
Payment of Dividend and Dividend Tax		(4,299)		(8,519)
Interest & financial charges paid		(23,552)		(8,296)
Net cash in financing activities——'C'		452,900		(10,156)
D. CASH AND CASH EQUIVALENT ON AMALGAMATIONS....'D'		17,396		—
Net increase/(Decrease) in cash or cash equivalent (A+B+C+D)		246,350		2,754
Cash & cash equivalent at the commencement of the year (Opening balance)		12,367		9,613
Cash & cash equivalent at the end of the year (closing balance)		258,717		12,367

Notes :

- Adjustment is on account of amalgamation of erstwhile Jaiprakash Power Ventures Limited w.e.f. 01.04.2009. Bina Power Supply Company Limited and Jaypee Arunachal Power Limited were 100% subsidiary companies of erstwhile Jaiprakash Power Ventures Limited. Sangam Power Generation Company Limited and Prayagraj Power Generation Company Limited were taken over by erstwhile Jaiprakash Power Ventures Limited on 23.07.2009.
- Current Year Figures are not comparable with those of previous year. Refer Point No. (B) of Schedule Q.

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

R. NAGPAL
Partner
M.No. 81594
Firm Regn No. 002626N
Place: Noida
Dated: 29th May 2010

R.K. Narang
Director

Suren Jain
Managing Director & CFO

R.K. Porwal
General Manager (F & A)

Manoj Gaur
Chairman
Sunil Kumar Sharma
Vice Chairman & CEO

M.M. Sibbal
General Manager &
Company Secretary

ATTENDANCE SLIP



Registered Office: JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.)
Corporate Office : Sector-128, Noida-201 304, Distt. Gautam Budh Nagar (U.P.)

NAME OF THE SHAREHOLDER / PROXY*	DP ID**		Folio No.	
	Client ID**		No. of Shares held	

I hereby record my presence at the 15th Annual General Meeting of the Company held at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.) on Friday, the 24th September, 2010 at 11.00 A.M.

SIGNATURE OF THE SHAREHOLDER / PROXY*

* Strike out whichever is not applicable

** Applicable for investors holding shares in electronic form.

Note: Please complete the Attendance Slip and hand it over at the entrance of the Meeting venue.

----- Cut here -----



PROXY

Registered Office: JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.)
Corporate Office : Sector-128, Noida-201 304, Distt. Gautam Budh Nagar (U.P.)

I/We of
in the district of.....being a Member(s) of the above named
Company hereby appoint of in the district
of or failing him/her of in the district
of..... as my/our proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting
of the Company to be held at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.) on Friday,
the 24th September, 2010 at 11.00 A.M.

Signed at this..... day of.....2010.

Folio No.		DP ID*	
No. of Shares held		Client ID*	

Affix
Re.1
Revenue
Stamp

* Applicable for investors holding shares In electronic form.

Notes: .

1. The Proxy need not be a member.
2. The form of proxy, duly signed across Re.1 revenue stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.



Transmission line of Jaypee Powergrid from Wangtoo to Abdullapur, Himachal Pradesh



Barrage Under Construction at 500 MW Bina TPP (Phase-I) Madhya Pradesh

BOOK POST

If undelivered please return to:

JAIPRAKASH
POWER VENTURES LIMITED

Registered Office: JUIT Complex, Wagnaghat, P.O. Dumeihar Bani, Kandaghat - 173 215, Distt. Solan (H.P.)

Corporate Office: Sector-128, Noida-201 304, Distt. Gautam Budh Nagar (U.P.) Tel: 91-120-4609000

Fax: 91-120-4609496 Website: www.jppowerventures.com