

JAIPRAKASH POWER VENTURES LIMITED

(Formerly known as Jaiprakash Hydro-Power Ltd.)

annual report 2010-11



1000 MW Karcham Dam on River Satluj, H.P.



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.

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.*

POWER BUSINESS AT A GLANCE

Project	State	Capacity (MW)	Commissioning Year
Baspa-II, HEP	Himachal Pradesh	300	2003
Vishnuprayag, HEP	Uttarakhand	400	2006
Karcham-Wangtoo, HEP [#]	Himachal Pradesh	1000	2011 *
Bina Power, TPP	Madhya Pradesh	1250	2012 **
Jaypee Nigrie, TPP	Madhya Pradesh	1320	2013 *
Bara, TPP	Uttar Pradesh	3300	2014 * ^
Karchana, TPP	Uttar Pradesh	1980	2015 * ^
Lower Siang, HEP	Arunachal Pradesh	2700	2016 * #
Hirong, HEP	Arunachal Pradesh	500	2018 *
Kynshi Stage-II, HEP	Meghalaya	450	2019 *
Umngot Stage-I, HEP	Meghalaya	270	2019 *
Grand Total		13470	

* Management Estimates

** 500 MW Phase-I by 2012, ^ 1320 MW of Karchana & 1980 MW of Bara Phase-I, # 1500 MW Phase-I by 2016

Unit 1 & 2 of 250 MW each declared on 26th May, 2011 and 23rd June, 2011 respectively

TPP – Thermal Power Plant, HEP – Hydro Electric Plant

HIGHLIGHTS

- *Environment Friendly Run of the River Projects*
- *India's Largest Hydropower Producer in Private Sector*
- *13470 MW by 2019*
- *Super Critical Technology in Thermal Plants*
- *Green Power Portfolio*



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



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



Barrage of 400 MW Vishnuprayag Hydro Power Plant, Uttarakhand

Board of Directors

Manoj Gaur, Chairman
 Sunil Kumar Sharma, Vice-Chairman & CEO
 Suren Jain, Managing Director & CFO
 B.K.Taparia
 R.N. Bhardwaj
 B.B. Tandon
 A. K. Goswami
 S.C. Bhargava
 R.C. Vaish
 B.K. Batra (IDBI Nominee)
 S.S. Gupta
 G.P. Gaur
 R.L. Gupta
 Dharam Paul Goyal, Whole-time Director
 Lt. Gen. (Retd.) Ravindra Mohan Chadha,
 Whole-time Director
 Suresh Chandra, Whole-time Director
 R.K. Narang, Whole-time Director
 Praveen Kumar Singh, Whole-time Director

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 Bank
 Indian Overseas Bank
 Life Insurance Corporation of India
 Oriental Bank of Commerce
 Power Finance Corporation Limited
 Punjab National Bank
 Rural Electrification Corporation Ltd.
 Small Industries Development Bank of India
 State Bank of Bikaner & Jaipur
 State Bank of Hyderabad
 State Bank of India
 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

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

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NOTICE

NOTICE is hereby given that the **Sixteenth Annual General Meeting** of the Members of **JAIPRAKASH POWER VENTURES LIMITED** will be held on **Friday, the 30th September, 2011 at 11.00 A.M.** at the Registered Office of the Company at **JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat -173215, 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, 2011, 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 Sunil Kumar Sharma**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Dr. R.C. Vaish**, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri B.K. Talaria**, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Dr. R.L. Gupta**, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of **Shri R. K. Narang**, 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 authorize the Board 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. **APPOINTMENT OF SHRI PRAVEEN KUMAR SINGH AS DIRECTOR**

"RESOLVED THAT **Shri Praveen Kumar Singh** be and is hereby appointed a Director of the Company, liable to retire by rotation."

9. **APPOINTMENT OF SHRI PRAVEEN KUMAR SINGH AS WHOLE-TIME DIRECTOR**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory amendment or re-enactment thereof, and subject to such other approvals, as may be necessary, the approval of the Company be and is hereby accorded to the appointment of **Shri Praveen Kumar Singh** as Whole-time Director of the Company for a period of five years w.e.f. 12th August, 2011 on the remuneration and terms and conditions mentioned in the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER THAT pursuant to the Section 198 and all other applicable provisions of the Companies Act, 1956 the remuneration as set out in the Explanatory Statement annexed to this Notice, be paid as minimum remuneration to **Shri Praveen Kumar Singh** notwithstanding that in any financial year of the Company during his tenure as Whole-time Director, the Company has no profits or profits are inadequate."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of

appointment of the appointee including relating to remuneration, as it may at its discretion, deem fit from time to time so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendment made thereto."

10. **APPOINTMENT OF SHRI DHARAM PAUL GOYAL AS DIRECTOR**

"RESOLVED THAT **Shri Dharam Paul Goyal** be and is hereby appointed a Director of the Company, liable to retire by rotation."

11. **APPOINTMENT OF SHRI DHARAM PAUL GOYAL AS WHOLE - TIME DIRECTOR**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory amendment or re-enactment thereof, and subject to such other approvals, as may be necessary, the approval of the Company be and is hereby accorded to the appointment of **Shri Dharam Paul Goyal** as Whole-time Director of the Company for a period of five years w.e.f. 12th August, 2011 on the remuneration and terms and conditions mentioned in the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER THAT pursuant to the Section 198 and all other applicable provisions of the Companies Act, 1956 the remuneration as set out in the Explanatory Statement annexed to this Notice, be paid as minimum remuneration to **Shri Dharam Paul Goyal** notwithstanding that in any financial year of the Company during his tenure as Whole-time Director, the Company has no profits or profits are inadequate."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee including relating to remuneration, as it may at its discretion, deem fit from time to time so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendment made thereto."

12. **APPOINTMENT OF LT. GEN. (RETD.) SHRI RAVINDRA MOHAN CHADHA AS DIRECTOR**

"RESOLVED THAT **Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha** be and is hereby appointed a Director of the Company, liable to retire by rotation."

13. **APPOINTMENT OF LT. GEN. (RETD.) SHRI RAVINDRA MOHAN CHADHA AS WHOLE-TIME DIRECTOR**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory amendment or re-enactment thereof, and subject to such other approvals, as may be necessary, the approval of the Company be and is hereby accorded to the appointment of **Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha** as Whole-time Director of the Company for a period of five years w.e.f. 12th August, 2011 on the remuneration and terms and conditions mentioned in the Explanatory Statement annexed to this notice."

"RESOLVED FURTHER THAT pursuant to the Section 198 and all other applicable provisions of the Companies Act, 1956 the remuneration as set out in the Explanatory Statement annexed to

this notice, be paid as minimum remuneration to Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha notwithstanding that in any financial year of the Company during his tenure as Whole-time Director, the Company has no profits or profits are inadequate.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee including relating to remuneration, as it may at its discretion, deem fit from time to time so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendment made thereto.”

14. INCREASE IN THE REMUNERATION OF MANAGING DIRECTOR & WHOLE-TIME DIRECTORS

“**RESOLVED THAT** in terms of the authority accorded by the Shareholders for the appointment and remuneration of Managing Director & Whole-time Directors of the Company in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory amendment or re-enactment thereof, and subject to such other approvals, as may be necessary, the approval of the Company be and is hereby accorded to the modification in terms of remuneration paid or payable to the Managing Director & Whole-time Directors of the Company with effect from 1st April, 2011 for the remaining period of their respective tenures with annual increment on 1st April every year starting from 1st April, 2012, as set out in the Explanatory Statement annexed to this Notice.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of Managing Director & Whole-time Directors including relating to remuneration, as it may, at its discretion, deem fit from time to time so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory amendment or re-enactment thereof.”

“**RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Companies Act, 1956, the revised remuneration, as set out in the Explanatory Statement annexed to this Notice, be paid as minimum remuneration to Managing Director & Whole-time Directors in the event of loss or inadequacy of profits in any financial year during the residual tenure of their respective tenures.”

15. APPROVAL OF APPOINTMENT/CONFIRMATION OF SHRI G.P. GAUR AS WHOLE-TIME DIRECTOR

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the approval/confirmation of the members of the Company be and is hereby accorded to the appointment of Shri G.P. Gaur as Whole-time Director w.e.f. 1st February, 2011 and for payment of remuneration for a period of 3 months i.e. from 1st April, 2011 to 30th June, 2011, as set out in the Explanatory Statement annexed to this Notice.”

“**RESOLVED FURTHER THAT** the Board do take all necessary actions as may be required to give effect to this Resolution.”

16. CREATION OF SECURITY

“**RESOLVED THAT** pursuant to **Section 293 (1) (a)** and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors (which expression shall include any Committee of

the Board duly constituted/to be constituted) to mortgage and/or charge, subject to the existing charges, on immovable and movable properties of the Company, wheresoever situate, present or future, to secure Foreign Currency Loan (ECB) equivalent to Japanese Yen (JPY) 15.30 billion from ICICI Bank Ltd., Singapore Branch, in replacement of the existing sanctioned unavailed Rupee facility of upto Rs. 848.90 Crores from ICICI Bank Ltd., together with all interest, premium on pre-payment, costs, charges, expenses and other monies whatsoever stipulated in or payable under the ECB facility Agreement as amended from time to time and any other ancillary agreements and amendments thereto that have or may be entered into between the Company and the ECB Lender in this regard, on the terms and conditions stipulated in the ECB facility agreement executed with the lenders.”

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

M.M. SIBBAL

Sr. General Manager &
Company Secretary

Place : Noida

Date : 11th August, 2011

Notes:

- (i) Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of resolutions set out under **item nos. 8 to 16** 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 representative(s) are requested to send a duly certified copy of the Board Resolution authorizing such representative 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 **Saturday, the 24th September, 2011 to Friday, the 30th September, 2011 (both days inclusive)** for the purpose of Annual General Meeting.
- (vi) Members who are holding shares in physical form are requested to notify the change, if any, in their respective addresses or Bank details to the Company's 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 Financial 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 (U.P.) so as to reach **at least seven days before the date of the Annual General 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) **The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, the Company has already sent a communication to all the shareholders that various notices/documents meant for them shall be sent electronically on their e-mail addresses as obtained from Depositories/other sources, unless specifically requested to be sent in physical form. The members, who have not registered/updated their e-mail addresses so far, are requested to register/update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold their shares in physical form and who are desirous of receiving the communications/documents in electronic form are requested to promptly register their e-mail addresses with the Company.**
- (x) Members or their respective proxies are requested to:
- bring copies of Annual Report sent to the Members as copies of Annual Report shall not be distributed at the Annual General Meeting;
 - quote their Folio no./Client ID & DP ID in all correspondence; and
 - note that no gifts/coupons shall be distributed at the Annual General Meeting.**
- (xi) (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) None of the Directors being appointed/reappointed is related to the Directors of the Company.
- (c) Additional details in terms of Clause 49 of the Listing Agreement in respect of Directors being re-appointed are given hereunder:

Shri Sunil Kumar Sharma

Shri Sunil Kumar Sharma, aged about 52 years is the Vice-Chairman and CEO of the Company. He holds a Degree in Science from Meerut University and possesses 30 years of experience in planning, procurement, execution and management. He has been instrumental in the successful completion of several engineering construction projects, including Hotel Siddharth, Hotel Vasant Continental, one million ton per annum cement plant at Rewa and raising the Lakhya Dam in Karnataka. He was the Director-in-Charge of the underground power house works at Jhakri, Rockfill Dam chute and shaft spillway works of the Tehri Hydel Project and the works at the Chamera-II Hydel Project.

Shri Sunil Kumar Sharma is Executive Vice-Chairman of Jaiprakash Associates Limited. He is a Director on the Board of Sangam Power Generation Company Limited, Prayagraj Power Generation Company Limited, Jaypee Powergrid Limited, Jaypee Arunachal Power Limited, Jaypee Infratech Limited, Himalyan Expressway Limited, Jaypee Hotels Limited, Jaypee Sports International Limited, Jaypee fertilizers & Industries Limited, Jaypee Ventures Private Limited, Jaypee International Logistics Company Private Limited, Jaypee Infra Ventures (A Private Company with unlimited liability), Indesign Enterprises Private Limited and Indus Hotels UK Limited.

Shri Sunil Kumar Sharma is Chairman of Audit Committee of Himalyan Expressway Ltd., Prayagraj Power Generation Company Limited & Jaypee Arunachal Power Limited, Chairman of Remuneration Committee of Himalyan Expressway Ltd., Prayagraj Power Generation Company Limited and Sangam Power Generation Company Limited and also Chairman of Investors' Grievance and Share Transfer Committee of Jaypee Sports International Limited and Jaypee Infratech Limited. He is also a Member of Investors' Grievance and Share Transfer Committee of Jaiprakash Associates Limited and a member of Remuneration Committee of Jaypee Infratech Limited.

Shri Sunil Kumar Sharma holds 5,700 equity shares in the Company in his own name and no share in the Company is held by him for any other person on a beneficial basis.

Dr. R.C. Vaish

Dr. R.C. Vaish, aged about 70 years, is M.A., M.Com, LL.B, Ph.D and Chartered Accountant. He is a Chartered Accountant with over 46 years' Post Qualification experience. Dr. R.C. Vaish is an eminent Tax Consultant and specialized in the areas of Corporate Planning, International Taxation & Finance and Off-Shore Investments. He is a Director on the Boards of Jaypee Infratech Ltd., Ansal Properties & Infrastructure Limited, Express News Papers Limited, Omax Autos Limited, OCL India Limited, Bharat Consultants Private Limited, Sanguine Singapore Pte Ltd., Mayar Infrastructure Development Pvt. Ltd., Roto Pumps Ltd. and Atos Mayar Healthcare Pte Ltd.

Dr. R.C. Vaish is also a Chairman of Audit Committee and Remuneration Committee of Omax Autos Limited and member of Audit Committee of Ansal Properties & Infrastructure Limited, OCL India Limited and Roto Pumps Ltd.

Dr. R.C. Vaish does not hold any share 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 B.K. Taparia

Shri B.K.Taparia, aged about 71 years, holds a Post Graduate Degree in Commerce and is a Certified Associate Member of Indian Institute of Bankers, Mumbai.

Shri B.K.Taparia has been Ex-Chairman & Managing Director of Industrial Reconstruction Bank of India (renamed as Industrial Investment Bank of India Ltd. since merged with IFCI Ltd.). He is a Director on the Boards of Jaiprakash Associates Limited (JAL), Jaypee Infratech Limited (JIL) and Jaypee Development Corporation Limited (JDCL). He is also a member of Audit Committee & Remuneration Committee of JAL, Chairman, Audit Committee, of JDCL and the Company and Member of the Remuneration Committee of the Company.

Shri B.K. Taparia holds 5,000 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.

Dr. R.L. Gupta

Dr. R.L. Gupta, aged about 69 years, holds Degree in Civil Engineering from University of Roorkee (now Indian Institute of Technology, Roorkee) and possesses around 48 years of experience in the field of designing, planning and constructions of large hydraulic structures, like dams, barrages, intake works, canals, head race tunnels and under ground power houses.

Dr. R.L. Gupta is a Whole-time Director of Jaypee Ventures Private Limited and Chairman of the Shareholders'/ Investors' Grievance Committee of the Company.

Dr. R.L. Gupta holds 12,850 equity shares in the Company in his own name and no share in the Company is held by him for any other person on a beneficial basis.

Shri R.K. Narang

Shri R.K. Narang, aged about 62 years, holds a Degree in Mechanical Engineering and Diploma in Management. Shri R.K. Narang has over 37 years of experience out of which 10 years in the Manufacturing and 27 years in Finance including Project Appraisal and financing at Senior Management Level in IFCI.

Shri R.K. Narang is Whole-time Director and a Member of the Shareholders'/ Investors' Grievance Committee of the Company.

Shri R.K. Narang 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.

EXPLANATORY STATEMENT

Following Explanatory Statement, pursuant to the provisions of Section 173(2) of the Companies Act, 1956 sets out the material facts relating to **item nos. 8 to 16** mentioned in the accompanying Notice dated 11th August, 2011.

Item 8 to 13

Shri Praveen Kumar Singh was co-opted on the Board of the Company with effect from 30th October, 2010 at the Board Meeting held on 30th October, 2010, in the casual vacancy caused due to the resignation of Shri J.N. Gaur.

Shri Dharam Paul Goyal and Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha were co-opted on the Board of the Company with effect from 12th August, 2011 at the Board Meeting held on 11th August, 2011, in the casual vacancies caused due to the resignations of Shri S.K. Jain and Dr. D.G. Kadvade respectively.

The Company has received a notice in writing alongwith a deposit of Rs. 500/-each from a member of the Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidatures of Shri Praveen Kumar Singh, Shri Dharam Paul Goyal and Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha for the office of Director at the forthcoming Annual General Meeting.

The brief profile of each of the appointees is given below:-

Shri Praveen Kumar Singh, aged about 39 years, a Civil Engineer by profession, has been looking after the construction and implementation of the 1000 MW Karcham Wangtoo Hydro Electric Project of the Company. He was associated with the construction of Indira Sagar HEP and was the Unit In-Charge of Omkareshwar HEP. Prior to the amalgamation of erstwhile Jaypee Karcham Hydro Corporation Ltd. with the Company, he was the Whole-time Director of Jaypee Karcham Hydro Corporation Ltd.

Shri Praveen Kumar Singh is on the Board of Jaypee Meghalaya Power Limited and Jaypee Ventures Private Limited.

Shri Dharam Paul Goyal, aged about 64 years, a Civil Engineer by profession is a renowned Hydro-Power Development (Construction and Contract Management) Expert. He also holds a Degree of Masters in Engineering in Water Resources. Shri Goyal carries with him a vast experience of around 40 years in the field of Hydro-Power Projects.

Previously, Shri Dharam Paul Goyal was working as Director (Technical) with Tala Hydroelectric Project Authority, Bhutan. Shri Goyal was sent on deputation from HPSEB on Foreign Service terms of the Ministry of External Affairs, Government of India and Royal Government of Bhutan to Tala Hydro-Electric Project Authority, Bhutan. At the said 1020 MW Tala HEP in Eastern Himalayas being set by Tala Hydro-Electric Project Authority, Shri Goyal was in charge of execution from 1997 to 2005.

Presently, he is looking after the construction and implementation of the Karcham Wangtoo Hydro Electric Project. Prior to amalgamation of erstwhile Jaypee Karcham Hydro Corporation Ltd. with the Company, he was the Managing Director of Jaypee Karcham Hydro Corporation Ltd.

Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha, aged about 69 years, holds a Bachelors' Degree in Engineering (Civil) from University of Pune, a Masters' Degree in International Relations from Madras University, Masters Diploma in Business Administration from Symbiosis Institute of Management Studies, Pune, Diploma in Foreign Trade from Institute of Foreign Trade, New Delhi, and is also a Fellow of the Institution of Engineers, New Delhi had over 44 years of experience in conceptualization, planning, direction and implementation of various projects especially in personnel management, equipment/materials, logistics and financial aspects, had also served in the Indian Army for 40 years before retiring as a Lieutenant General. While in the Army, he was twice decorated by the then Hon'ble President of India and thereafter worked for Noida Medicare Centre Limited for 4 years as an Advisor.

He had joined as President in erstwhile Jaiprakash Power Ventures Ltd, in 2007 and thereafter appointed as Whole-time Director in the said Company and was looking after the operations of 400 MW Vishnuprayag Project at Site. Prior to the amalgamation of erstwhile Jaypee Karcham Hydro Corporation Ltd. with the Company, he was the Whole-time Director of Jaypee Karcham Hydro Corporation Ltd.

Pursuant to the successful amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited with your Company, the Board of Directors at its meeting held on 11th August, 2011 felt the need of effective monitoring and control of different projects at diverse locations and hence decided to appoint Shri Praveen Kumar Singh, Shri Dharam Paul Goyal and Lt.Gen.(Retd.) Shri Ravindra Mohan Chadha as Whole-time Directors of the Company for a period of five years w.e.f. 12th August, 2011 at a remuneration to be fixed by the Remuneration Committee.

The Remuneration Committee in its meeting held on 11th August, 2011, had after considering the qualification, experience, and contribution of the proposed appointees, decided to fix the remuneration of the appointees w.e.f. 12th August, 2011 as under :-

Name	Salary	Pay scale	Increment
Shri Praveen Kumar Singh	Rs.6,58,125 per month	Rs.2,25,000-22,500-3,37,500-33,750-5,06,250-50,625-7,59,375.	Next date of increment is 1st April, 2012; increment is admissible on every 1st April thereafter.
Shri Dharam Paul Goyal	Rs.3,85,000 per month	Rs.2,75,000-27,500-4,12,500-41,250-6,18,750-61,875-9,28,125.	Next date of increment is 1st December, 2011; increment is admissible on every 1st December thereafter
Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha	Rs. 3,71,250 per month	Rs.2,25,000-22,500-3,37,500-33,750-5,06,250-50,625-7,59,375.	Next date of increment is 1st April, 2012; increment is admissible on every 1st April thereafter.

Perquisites: Besides the above salary, the Whole-time Directors shall be entitled to the perquisites which may include accommodation/HRA, reimbursement of expenses for gas, electricity, water, and furnishings, medical reimbursements, LTC, personal accident insurance, use of car and telephone, contribution to provident fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc.

Perquisites save and except the following, would be restricted to an amount equal to the annual salary:

- (i) Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure as per rules/policy of the Company.

The Whole-time Directors shall also be entitled for car, telephone at residence and mobile phone for Company's business at Company's expense.

The above remuneration shall be paid as minimum remuneration to the respective Whole-time Directors in the event of absence or inadequacy of profit in any year during their remaining tenure.

The Chairman of the Company is authorised to fix the inter-se ceilings/limits of various perquisites of the Whole-time Directors.

Except for the under-mentioned shareholding of the appointees in their own name, no share in the Company is held by them for any other person on a beneficial basis:-

Name	No. of Equity Shares held
Shri Praveen Kumar Singh	2,50,000
Shri Dharam Paul Goyal	2,850
Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha	2,850

The Board considers their appointment as Directors/Whole-time Directors of the Company in the best interest of the Company.

None of the Directors, except the appointees themselves are deemed to be concerned or interested in the Resolution.

The Board commends the Resolutions Nos. 8 to 13 for approval of the Members.

ITEM 14

The remuneration of the Managing Director & Whole-time Directors of the Company was last revised in the month of October, 2008. Your Company has grown from a single project to multi project Company. Accordingly, the roles and responsibilities of the Managing Director & Whole-time Directors of the Company have increased manifold.

Keeping in view the contribution of the Managing Director & Whole-time Directors of the Company and their qualification and experience vis-à-vis the trend in industry, salary structure of various Companies in Jaypee Group and considering profitability and cash-flow of the Company, the Remuneration Committee at its meeting held on 15th January, 2011 had considered and approved revision in the remuneration of the Managing Director & Whole-time Directors of the Company with effect from 1st April, 2011 for the remaining period of their respective tenures.

The details of the same are given here under:-

S. No.	Name & Designation	Tenure	Existing	Revised
1.	Shri Suren Jain, Managing Director & CFO	5 years i.e. upto 11th Jan, 2015	Rs.3,57,500/- per month in the pay scale of Rs.2,75,000-27,500-4,12,500-41,250-6,18,750.	Rs. 780000/- in the pay scale of Rs.4,00,000-40,000-6,00,000-60,000-9,00,000-90,000-13,50,000.
2.	Shri R.K. Narang, Whole-time Director	5 years i.e. upto 27th, June, 2014	Rs.1,80,000/- per month in the pay scale of Rs.1,50,000-15,000-2,25,000-22,500-3,37,500.	Rs. 360000/- in the pay Scale of Rs. 3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500.
3.	Shri Suresh Chandra, Whole - time Director	5 years i.e. upto 10th Jan, 2013	Rs.1,50,000/-per month in the pay scale of Rs.1,50,000-15,000-2,25,000-22,500-3,37,500.	Rs. 360000/- in the pay Scale of Rs.3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500.

Besides the above salary, the Managing Director & Whole-time Directors shall be entitled to perquisites which may include accommodation/HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, insurance premium, contribution to provident fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc.

Perquisites save and except the following, would be restricted to an amount equal to the annual salary:

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- (iii) Encashment of leave at the end of the tenure as per rules/ policy of the Company.

The Managing Director & Whole-time Directors shall also be entitled for car, telephone at residence and mobile phone for Company's business at Company's expense.

The above remuneration shall be paid as minimum remuneration to the Managing Director & Whole-time Directors in the event of absence or inadequacy of profit in any year during their remaining tenures.

The Chairman of the Company is authorised to fix the inter-se ceilings/limits of various perquisites of the Managing Director & Whole-time Directors.

The Board of Directors commend the aforesaid increase in remuneration of S/Shri Suren Jain, R.K. Narang and Suresh Chandra for the approval of Members.

None of the Directors except Shri Suren Jain, Shri R.K. Narang and Shri Suresh Chandra themselves is interested in their respective Resolution.

The Board commends the Resolution no. 14 for approval of the Members.

ITEM 15

Shri G.P. Gaur, aged about 63 years, is on the Board of the Company since 29th August, 2006. He possesses 35 years of experience in the Construction and Material Management. Shri G.P. Gaur is on the Board of Jaypee Fertilizers & Industries Limited.

Shri G.P. Gaur holds 25,000 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 G.P. Gaur was appointed as Whole-time Director, w.e.f. 1st February, 2011 for a period of 5 years i.e. upto 31st January, 2016, by the Board in its meeting held on 15th January, 2011.

Further, the Remuneration Committee in its meeting held on 15th January, 2011 had approved his remuneration w.e.f. 1st April, 2011 as under:

Basic Salary & Pay Scale: Rs. 3,30,000/- per month in pay scale of Rs.3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500.

Perquisites : Besides the above salary, Shri G.P. Gaur, Whole-time Director was also entitled to the perquisites which may including accommodation/HRA, reimbursement of expenses for gas, electricity, water, and furnishings, medical reimbursements, LTC, personal accident insurance, use of car and telephone, contribution to provident fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc.

Perquisites save and except the following, would be restricted to an amount equal to the annual salary:

- (i) Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure as per rules/policy of the Company.

Shri G.P. Gaur was also entitled to car, telephone at residence and mobile phone for Company's business at Company's expense.

However, Shri G.P. Gaur resigned w.e.f. 30th June, 2011 from the office of Whole-time Director of the Company and has offered to continue as Non-Executive Director of the Company. The Board has accepted his resignation from the whole time Office w.e.f. 30th June, 2011. He, however, continues as Non-Executive Director of the Company. Approval/Confirmation of the Members is sought

for his appointment as Whole-time Director for the period from 1st February, 2011 to 30th June, 2011 and payment of remuneration to him for the period of 3 months i.e. from 1st April, 2011 to 30th June, 2011.

None of the Directors except Shri G.P. Gaur is concerned or interested in the Resolution.

The Board commends the Resolution no.15 for approval of the Members.

Item 16

As the members are aware, the entire debt requirement of Rs. 5670 crore for 1320 MW Jaypee Nigrie Super Thermal Power Project of the Company at Nigrie has been sanctioned by 18 Lenders including ICICI Bank. Out of sanctioned amount of Rs. 880 crore from ICICI Bank Ltd., the Company had availed only Rs. 31.10 crores and for balance sanctioned amount of ICICI Bank Ltd. of upto Rs. 848.90 crores, the Board decided to avail Foreign Currency loan by way of the ECB facility equivalent to Japanese yen equivalent to 15.30 billion from ICICI bank Ltd., Singapore Branch at all inclusive interest cost of 4.62%, on the terms and conditions stipulated in the ECB facility Agreement executed with the Lenders.

Section 293(1)(a) of the Companies Act, 1956 inter-alia provides that the Board shall not, except with the consent of the members in a general meeting, sell, lease, or otherwise dispose of the whole or substantially the whole, of any such undertaking, where the Company has more than one undertaking. Since the mortgage and/or charge to be created in respect of aforesaid borrowing may be considered as disposal of the Company's undertaking, it is necessary for the members to pass a Resolution, under Section 293(1)(a) of the Companies Act, 1956, for creation of mortgage and/or charge in favour of any banks, institutions, investors, mutual funds, companies, other corporate bodies, resident/non-resident Indians, foreign nationals or any other entities.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

The Board commends the Resolution No.16 for approval of the Members.

By Order of the Board
For **JAIPRAKASH POWER VENTURES LIMITED**

M.M. Sibbal

Sr. General Manager &
Company Secretary

Place: Noida
Date: 11th August, 2011

DIRECTORS' REPORT

To,

The Members

The Directors of your Company are pleased to present the Sixteenth Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2011.

AMALGAMATION OF JAYPEE KARCHAM HYDRO CORPORATION LIMITED AND BINA POWER SUPPLY COMPANY LIMITED WITH THE COMPANY.

The Scheme of Amalgamation of Jaypee Karcham Hydro Corporation Limited (JKHCL) and Bina Power Supply Company Limited (BPSCCL) with your Company was sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla on 14th June, 2011 with the appointed date being 1st April, 2010. The Scheme of Amalgamation has come into effect from the date of filing of the said Order with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh on 26th July, 2011.

Consequent upon the said amalgamation, 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Power Plant being implemented by erstwhile JKHCL and 1250 MW Jaypee Bina Thermal Power Plant (500 MW being implemented in Phase-I) by erstwhile BPSCCL stood merged with your Company alongwith all their assets, liabilities, rights, titles, interests, contracts, agreements etc. Thus, your Company now has an operating capacity of 1200 MW (Hydro) and under implementation generating capacity of 3070 MW (500 MW Hydro & 2570 MW Thermal of which 500 MW Hydro will get commissioned by September, 2011 and 500 MW Thermal by March/June, 2012). Your Company, as of date, is the largest producer of hydro power in Private Sector in India.

The Directors of your Company wish to further report that the aforesaid amalgamation has enabled creation of an integrated Corporate Structure for Development of Power Business of Jaypee Group. The aforesaid combination shall lead to achievement of economies of scale, operational and managerial efficiencies and enhanced resource mobilization capacity required for growth. We reasonably expect that it would result in reduction in overall cost, optimization of resources, a much healthier and stronger Balance Sheet and your Company shall have enough competitive strength to participate in high growth opportunities available in the Power Sector with an ultimate corporate goal of enhancement of the Shareholders' wealth.

WORKING RESULTS

The working results of the Company for the year under report, post amalgamation, are as under:-

	(Rs. in Crores)	
	Current Year 31.03.2011	Previous Year 31.03.2010
Gross Revenue*	709.77	659.42
Less: Rebate for prompt payments	11.09	9.81
	698.68	649.61
Add: Sale of VERs	38.21	41.12
Add: Other Income	103.85	27.06
Total Income	840.74	717.79
Profit before Interest, Depreciation & Taxation	759.83	634.93
Less : Interest	448.44	236.43
Less : Depreciation	94.91	95.10
	216.48	303.40
Less: Extra-Ordinary items (Net)	10.02	-
	206.46	303.40
Less: Provision for taxation	41.35	51.85
Profit after taxation	165.11	251.55

*These revenues are from 300 MW Baspa-II Hydro-Electric Power Plant and 400 MW Vishnuprayag Hydro-Electric Power Plant. The generation of power from 2 units of 250 MW each of 1000 MW Karcham-Wangtoo Hydro-Electric Power Plant started in May/June, 2011.

CHANGES IN SHARE CAPITAL

Consequent upon sanction of the aforesaid Scheme of Amalgamation by the Hon'ble High Court of Himachal Pradesh at Shimla:

- (i) The Authorised Share Capital of the Transferor companies stood clubbed with the Authorised Share Capital of your Company aggregating to Rs.11,300 crores divided into 830 crore Equity Shares of Rs.10/- each and 30 crores Preference Shares of Rs.100/- each; and
- (ii) The Shareholders of the Transferor companies were allotted the Equity Shares of the Company as on the Record Date, i.e., 5th August, 2011, fixed by the Company. 40,20,00,000 Equity Shares of Rs. 10/- each of the Company were allotted to the shareholders of erstwhile JKHCL in the ratio of One Equity Share of Rs. 10/- for every Five Equity Shares of Rs. 10/- each in erstwhile JKHCL and 12,70,76,923 Equity Shares of Rs. 10/- each were allotted to the shareholders of erstwhile BPSCCL in the ratio of Two Equity Shares of Rs. 10/- each for every Thirteen Equity shares of Rs. 10/- each in erstwhile BPSCCL. The cross holdings were transferred to JPVL Trust in which the company is the sole beneficiary.

Accordingly, 18,50,00,000 Equity Shares of Rs. 10/- each were allotted to Jaiprakash Associates Limited, the holding company and 34,40,76,923 Equity Shares of Rs.10/- each were allotted to JPVL Trust.

Consequently, the Paid up Equity Share Capital of the Company has increased to Rs. 2624.76 crores.

OPERATIONS

Your Company now has three operative Hydro-Electric Power Plants, namely,

1. 300 MW Jaypee Baspa-II Hydro-Electric Power Plant in Himachal Pradesh;
2. 400 MW Jaypee Vishnuprayag Hydro-Electric Power Plant in Uttarakhand; and
3. 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Power Plant in Himachal Pradesh. (2 units of 250 MW each commissioned in May/June, 2011).

Besides the above, your Company also has two Thermal Power Projects which are under implementation, namely,

1. 1250 MW Jaypee Bina Thermal Power Plant in Madhya Pradesh (Phase-I of 500 MW is currently under implementation).
2. 1320 MW (2 x 660 MW) Jaypee Nigrie Super Thermal Power Project in Nigrie, Distt. Singrauli in Madhya Pradesh.

The performance of the Company's operative Plants, their plant availability and the Energy Generation during the year under report was satisfactory. The Plant Availability and Energy Generation of each of the Plants for the Financial year from 1st April, 2010 to 31st March, 2011 were as under:

Plant	Plant Availability (%)	Generation (Million Units)
		Net Saleable Energy
BASPA-II (300 MW)	98.92%	1291.61
Vishnuprayag (400 MW)	98.84%	1757.26

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. 2.68 per unit. The generation of the energy of Baspa-II plant during the year was 1467.74 MUs including 12% Free Power to Himachal Pradesh

State Electricity Board/ Government of Himachal Pradesh. The Net Saleable Energy during the year was 1291.61 MUs, out of which 1050.06 MUs was Primary Energy and 155 MUs was Secondary Energy. **The Plant recorded the highest level of power generation since commencement of commercial operations. This resulted in an additional supply of 86.55 Million Units to HPSEB without any charges, besides their entitlement to 12% free power.**

The tariff for the year under report for 400 MW Vishnuprayag Plant works out to Rs.2.20 per unit. The total generation including 12% free Power to State Government was 2022.69 MUs. The Net Saleable Energy was 1757.26 MUs out of which Saleable Primary Energy was 1545.88 MUs and saleable Secondary Energy was 211.38 MUs.

The Directors of your Company are pleased to report that **out of the 1000 MW (4 x 250 MW) capacity of Jaypee Karcham Wangtoo Hydro Electric Plant, first unit of 250 MW was commissioned on 26th May, 2011, second unit of 250 MW was commissioned on 23rd June, 2011** and third and fourth units of 250 MW each are expected to be commissioned during the quarter ending 30th September, 2011. Accordingly, 1000 MW Jaypee Karcham Wangtoo Hydro-Electric plant of the Company would become the largest operating Hydro-electric Plant in private sector in the Country.

The details of the Plant Availability and Energy Generated for all the three Plants for the period from 1st April, 2011 to 31st July, 2011 were as under:

Plant	Plant Availability (%)	Generation (Million Units)
		Net Saleable Energy
BASPA-II HEP (300 MW)	99.97%	602.96
VISHNUPRAYAG HEP (400 MW)	99.96%	857.19
KARCHAM WANGTOO HEP (1000 MW)	98.29%	599.48 (Unit-I commissioned on 26th May, 2011) (Unit-II commissioned on 23rd June, 2011)

1320 MW JAYPEE NIGRIE SUPER THERMAL POWER PROJECT

As the members are already aware, your Company is implementing 1320 MW (2 X 660 MW) Jaypee Nigrie Super Thermal Power Project in Nigrie, Distt. Singrauli in Madhya Pradesh for which all major statutory approvals, required at the current stage of the project, have been obtained. Total requirement of 5 Million MTPA coal for the project will be met through Amelia (North) and Dongri Tal-II Coal Blocks.

Orders for Steam Generator and Steam Turbine Generator have already been placed with L&T- MHI and Larsen & Toubro Limited and the supply of the plant and machineries from the suppliers is in progress.

The Company has since achieved its Financial Closure for the said Project and the entire debt of Rs. 5670 crore has been tied up and the financing documents have since been executed. As on 31st July, 2011, an amount of approx. Rs.1568 crore has already been incurred on the Project.

Unit-I of the project is scheduled for commissioning in April, 2013 and Unit-II is likely to be commissioned in October, 2013.

1250 MW JAYPEE BINA THERMAL POWER PLANT

Jaypee Bina Thermal Power Plant located at Village Sirchopi, Distt. Sagar (M.P.) being implemented by erstwhile Bina Power Supply Company Limited, now stands merged with your Company. 1250 MW coal based Thermal Power Plant is being implemented in two phases, first phase (2 x 250 MW) is expected to be commissioned by March/ June, 2012.

All statutory approvals required at the current stage of the project are in place. First phase of the project has been appraised by the Banks and Financial Institutions with IDBI Bank as lead Bank. Financial closure for the project has already been achieved and the entire debt of Rs.1928 crores has been tied up and the financial documents have been executed.

Central Coalfields Ltd. and South Eastern Coalfields Ltd. have issued Letters of Intent for Coal supplies and Fuel Supply Agreements are expected to be signed shortly.

Power Purchase Agreement has been executed on 5th January, 2011 with MP Power Trading Corporation Limited and the Company shall supply 70% of installed capacity of Phase-I for 25 years at the rate determined by the appropriate Regulatory Commission, which is inclusive of 5% of net power generated to be supplied at variable energy charges to Government of Madhya Pradesh / MP Power Trading Corporation Limited. Balance installed capacity will be available for sale to other parties for which requisite arrangements are being made.

Boiler, Turbine and Generator has been sourced from BHEL and implementation of the project is satisfactory to achieve scheduled commissioning of the first unit in the current financial year.

An expenditure of approx. Rs.2183 crores has been incurred on the project till 31st July, 2011.

240 MW KERALA THERMAL POWER PROJECT

Your Company did not pursue 240 MW Thermal Power Project in Kerala, since the major part of the land leased by Kerala Industrial Infrastructure Development Corporation to the Company fell under Coastal Regulatory Zone which could not be permitted by the Ministry of Environment and Forest for setting-up of the said project or for allowing any further industrial activity. Your Company has since obtained refund of lease premium amount including annual license fee by surrendering lease of the land to the respective authority.

VERIFIED EMISSION REDUCTIONS (VERs)

Your Company sold 3,50,000 VERs in respect of Jaypee Baspa-II Hydro-electric Plant during the year for Rs.8.19 crores. As for Jaypee Vishnuprayag Hydro-electric Plant, sale consideration in respect of 14,60,564 VERs aggregating Rs.30.02 crores was received during the year under report. Further, the Company's 1000 MW Jaypee Karcham Hydro-electric Plant in the State of Himachal Pradesh and 1320 MW Jaypee Nigrie Super Thermal Power Project in the State of Madhya Pradesh shall be eligible for CERs under Clean Development Mechanism (CDM).

DIVIDEND

In order to conserve resources for meeting the Company's expansion plans/investment in subsidiaries executing Thermal and Hydro-Power Plants, the Directors of your Company express their inability to recommend any dividend for the Financial Year 2010-11.

SUBSIDIARY COMPANIES

The Company has following subsidiaries:-

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

The Directors wish to report that your Company through its subsidiaries is implementing Power Projects with an aggregate capacity of 9200 MW comprising of (3920 MW Hydro and 5280 MW Thermal) besides a 213 Km long Transmission System.

Status of the projects being implemented through aforesaid subsidiaries is summarised below:

1. Jaypee Powergrid Limited (JPL)

Jaypee Powergrid Limited (JPL), a joint venture of Jaiprakash Power Ventures Limited and Power Grid Corporation of India Limited, a Central Government Power Utility Undertaking, is setting up 213 Km long 400 Kv Quad Bundle Conductor Double Circuit Transmission Line for evacuation of Power from the pothead yard of 1000 MW Karcham Wangtoo Plant to Abdullapur and LILO of existing Baspa-Jhakri double circuit line.

LILO line is being used for evacuation of power generated from 1000 MW Karcham Wangtoo Hydro-electric Plant. Further, extension Bays at Abdullapur and Line Reactors at power station switchyard have also been commissioned by JPL, the entire transmission line is expected to be completed in all respects in the current financial year leading to complete commissioning of the Project.

An expenditure of Rs. 831 crores has been incurred on the project till 31st July, 2011.

JPL has since filed Tariff Petition with the Central Electricity Regulatory Commission for determining of Transmission Tariff.

2. Jaypee Arunachal Power Limited (JAPL)

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

For the 2700 MW Lower Siang Hydro-Electric Project, CEA concurrence for Detailed Project Report and Defence clearance has already been obtained. Detailed Project Report for this project has been concurred by Central Electricity Authority with the estimated completion cost of Rs 19990.74 crores. JAPL is in the process of obtaining clearance from the Ministry of Environment and Forest.

For 500 MW Hirong Hydro-electric Project, JAPL has obtained the Defence Clearance. JAPL is in the process of obtaining CEA concurrence for Detailed Project Report and clearance from the Ministry of Environment and Forest.

While an amount of around Rs. 184 crore has been spent on the 2700 MW Lower Siang Hydro-Electric Project till 31st July, 2011, around Rs.23 crore has been spent on 500 MW Hirong Hydro-Electric Project till 31st July, 2011.

3. Prayagraj Power Generation Company Limited (PPGCL)

Prayagraj Power Generation Company Limited, acquired from Uttar Pradesh Power Corporation Limited through competitive bidding process, is implementing 1980 MW Thermal Power Project (with permission to add two additional generation units of 660MW each) in Tehsil Bara of district Allahabad, Uttar Pradesh.

During the year under report, PPGCL had awarded a contract for carrying out civil, structural & architectural work of its project. Order for Boiler, Turbine and Generator (BTG) has already been placed with BHEL. Various Statutory/Regulatory approvals have been/are being obtained. Financial Closure for entire debt of Rs. 8085 Crore has been achieved. The phase-I of the project is planned for commissioning by June, 2015. The works on the project are progressing satisfactorily.

An expenditure of approx. Rs.1556 crores has been incurred on the project till 31st July, 2011.

4. Sangam Power Generation Company Limited (SPGCL)

Sangam Power Generation Company Limited acquired from Uttar Pradesh Power Corporation Limited through competitive bidding process, is implementing 1980 MW – (3 x 660 MW) Thermal Power Project in Tehsil Karchana of district Allahabad, Uttar Pradesh.

SPGCL is in the process of obtaining various approvals.

5. Jaypee Meghalaya Power Limited (JMPL)

Your Company has entered into Memorandum of Agreement with Government of Meghalaya for development and implementation of 270 MW Umngot in the Umngto River Basin of Meghalaya and 450 MW Kynshi-II Hydro-electric Power Projects in the Kynshi River Basin of Meghalaya. In terms of said Memorandum of Agreement, 270 MW Umngot and 450 MW Kynsi-II Hydro-electric Power Projects are to be implemented through a Special Purpose Vehicle. For this purpose, Jaypee Meghalaya Power Limited was incorporated on 26th August, 2010 by your Company as its wholly owned subsidiary to implement the said Projects on BOOT (Build, Own, Operate and Transfer) basis. Your Company alongwith its associates will ultimately hold 74% of the equity of JMPL and the balance 26% will be held by the Government of Meghalaya.

Project transfer agreement was signed between your Company and Jaypee Meghalaya Power Limited on 1st January, 2011 and accordingly, both 270 MW Umngot and 450 MW Kynsi-II Hydro-electric Power Projects were transferred in the name of Jaypee Meghalaya Power Limited.

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 the Annual Accounts. The consolidated financial statements of the Company and its subsidiary companies are 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 General Circular No. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, a general exemption has been granted by the Central Government for not attaching the Balance Sheets of the subsidiary companies, as was required under the provisions of Section 212 of the Companies Act, 1956 provided certain conditions as mentioned in the above said circular are fulfilled, which are as under:-

- i. The Company shall present in the Annual Report the consolidated financial statements of holding company and all subsidiaries duly audited by its Statutory Auditors;
- ii. The Consolidated Financial Statements shall be prepared in strict compliance with applicable Accounting Standards and, where applicable, Listing Agreement as prescribed by the Securities and Exchange Board of India; and
- iii. The Company shall disclose in the consolidated Balance Sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend;

The Board in its meeting held on 11th August, 2011 had consented for not attaching the Balance Sheets in respect of the subsidiaries of the Company. Accordingly, 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 shareholders/investors of the Company/subsidiary companies seeking such information.

The annual accounts of the subsidiary companies will also be kept for inspection by the shareholders in Company's Corporate Office and also that of the subsidiaries. The Company has also uploaded the details of the accounts of individual subsidiary companies on its website i.e. www.jppowerventures.com.

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

OUTLOOK

Keeping in view the performance of the two Hydro-Electric Power Plants of the Company, viz. 300 MW Baspa-II Hydro-Electric Power Plant, 400 MW Vishnuprayag Hydro-Electric Power Plant, full generation from 1000 MW Karcham Wangtoo Hydro-Electric Power Plant during the next year, commissioning of 500 MW Jaypee Bina Thermal Power Plant and the Company's further expansion in Hydro Power and Thermal Power enabling the Company (including its subsidiaries) to generate aggregate power capacity of 13,470 MW, the Directors of your Company envisage a bright future outlook for the Company in the Power Sector.

DIRECTORATE

Shri J.N. Gaur resigned from the office of Director with effect from 30th September, 2010 and also ceased to be the Whole-time Director with effect from the said date after serving three terms of five years each. The Board places on record its appreciation for the valuable contribution of Shri J.N. Gaur during his tenure as Director/ Whole-time Director of the Company more particularly during the period of construction of Baspa-II project and its smooth operation.

Shri Praveen Kumar Singh was co-opted on the Board with effect from 30th October, 2010 in the casual vacancy caused due to resignation of Shri J.N. Gaur. Shri Praveen Kumar Singh has also been appointed as Whole-time Director of the Company with effect from 12th August, 2011.

Life Insurance Corporation of India (LIC) withdrew the nomination of Shri B.K. Gupta as Nominee Director with effect from 1st March, 2011 and Dr. E.R.C. Shekar resigned from the office of Director of the Company with effect from 8th May, 2011. The Board places on record its appreciation for the valuable contribution of Shri B.K. Gupta (Nominee Director – LIC) and Dr. E.R.C. Shekar, during their tenure as Directors on the Board.

Shri S.K. Jain and Dr. D.G. Kadhade have resigned from the office of Director of the Company with effect from 9th August, 2011. The Board places on record its deepest appreciation for the valuable contribution of Shri S.K. Jain who was associated with Baspa-II project right from day one and that of Dr. D.G. Kadhade, during their tenure as Directors on the Board.

Shri Dharam Paul Goyal and Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha were co-opted on the Board with effect from 12th August, 2011 in casual vacancies caused due to resignation of Shri S.K. Jain and Dr. D.G. Kadhade respectively. Shri D.P. Goyal and Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha have also been appointed as Whole-time Directors of the Company with effect from 12th August, 2011.

Shri G.P. Gaur was appointed as Whole-time Director of the Company for a period of 5 years with effect from 1st February, 2011. He resigned from the office of Whole-time Director with effect from 30th June, 2011. He, however, continues to be Non-Executive Director of the Company. The Board places on record its appreciation for the valuable contribution of Shri G.P. Gaur during his tenure as Whole-time Director of the Company.

Shri Sunil Kumar Sharma, Dr. R.C. Vaish, Shri B.K. Taparia, Dr. R.L. Gupta and Shri R.K. Narang would retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

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.

The status of compliance of Corporate Governance Voluntary Guidelines, 2009, of the Ministry of Corporate Affairs, Government of India, is given in Report on Corporate Governance.

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 that in respect of the Audited Annual Accounts for the year ended 31st March, 2011:

- 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, 2011 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; and
- 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, 2011 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, 2011, are annexed and form as integral part to this report.

AUDITORS' REPORT

The Auditors' Report to the shareholders on the Accounts of the Company for the financial year ended 31st March, 2011 does not contain any qualification.

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

AUDITORS

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

As required under the provisions of Section 224 (1B) of the Companies Act, 1956, the Company has obtained a written certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

COST AUDITORS

Ministry of Corporate Affairs, Cost Audit Branch vide Order No. 52/26/CAB-2010 dated 2nd May, 2011 has mandated your Company, being an Electricity Industry, to appoint Cost Auditors since your Company's aggregate value of net worth exceeds Rs. 5 crores, aggregate value of turnover exceeds Rs.20 crores and the Company's Equity & Debt were listed at Stock Exchanges. Accordingly, the Board of Directors of your Company, upon recommendations of the Audit Committee, had appointed M/s. Kabra & Associates, a firm of Cost Accountants, as Cost Auditors for the Financial Year 2011-12 for auditing the Cost Accounting Records of the Company. In terms of the Companies (Cost Audit Report) Rules, the Cost Auditor is required to file his report to the Central Government within 180 days from the close of the Company's financial year to which the report relates.

As required under the provisions of Section 224 (1B) of the Companies Act, 1956, the Company has obtained a written certificate from the Cost Auditors to the effect that their appointment was in conformity with the limits specified in the said Section.

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, HPERC, CERC, HPERC, UPERC, UPPCL, Financial Institutions, Banks, Rating Agencies, SBI Capital Markets Limited 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 : 11th August, 2011

MANOJ GAUR
Chairman

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.60,00,000/- or more:-
 - (i) Shri Suren Jain, Managing Director & CFO, Rs.86,89,794/-, BE (Production), 40 years, 18 years, 14th December, 2007, Jaypee Karcham Hydro Corporation Ltd.
 - (ii) Shri Dharam Paul Goyal, Managing Director of erstwhile Jaypee Karcham Hydro Corporation Limited, Rs.86,40,804/-, ME(WRD), BE(Civil), 64 years, 45 years, 12th December, 2005, Tata Hydroelectric Project Authority, Bhutan (GOI & RGoB Joint Body).
- b) Employed for part of the year and in receipt of remuneration aggregating Rs.5,00,000/- or more per month:-
Shri Jagdishwar Nath Gaur, Whole-time Director, Rs. 46,63,412/- B.E. (Electrical), 78 years, 46 years, 1st October, 1995, Advisor, Jaiprakash Associates Limited.

Notes:

1. Gross remuneration includes salary, house rent allowance and other perquisites like medical reimbursement, leave travel assistance, Company's contribution towards provident fund, gratuity etc.
2. The Managing/Whole-time Directors hold their respective offices for a period of 5 years from the date of their respective appointments.
3. None of the above employees is related to any 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-Electric 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 have been 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.13 (c) & (d).

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 and 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, 2011 consisted of 19 Directors. As per Clause 49 of Listing Agreement, where the Chairman of the Board is a Non-Executive Director, at least one-third of the Board should comprise of Independent Directors and in case he is an Executive Director or related to Promoter, at least half of the Board should comprise of Independent Directors.

In view of changes in the Board after 31st March, 2011 and in compliance of Clause 49 of the Listing Agreement, the Board now consists of 9 Independent Directors. The present strength of 18 Directors includes two Directors appointed with effect from 12th August, 2011.

The Board consists of eminent persons with considerable professional expertise and experience in technical, commercial, legal, finance, business administration and other related fields, who not only bring wide range of experience and expertise, but also impart desired level of independence to the Board.

Details regarding the attendance of Directors at the Board Meetings, Annual General Meeting, number of other Directorships and Committee positions held by them in other Companies, as on 31st March, 2011, are given below:

Name & Designation of the Directors	Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 5 held during the year	No. of other Directorships	Committee Positions	
					Member	Chairman
Shri Manoj Gaur, Chairman	Non-Executive/ Non-Independent	No	5	13	-	-
Shri Sunil Kumar Sharma, Vice Chairman and Chief Executive Officer	Executive	Yes	5	12	1	4
Shri Suren Jain, Managing Director and Chief Financial Officer	Executive	Yes	5	8	2	1
Shri S.K. Jain	Non-Executive/ Non-Independent	No	5	3	-	2
Shri B.K. Taparia	Non-Executive/ Independent	No	5	3	1	2
Shri R.N.Bhardwaj	Non-Executive/ Independent	No	5	9	4	4
Shri B. B. Tandon	Non-Executive/ Independent	Yes	5	14	8	1
Shri A.K. Goswami	Non-Executive/ Independent	No	5	3	2	1
Shri B.K. Batra (IDBI Nominee)	Non-Executive/ Independent	No	4	3	3	-
Dr. R. C. Vaish	Non-Executive/ Independent	No	3	6	3	1
Shri S.C.Bhargava	Non-Executive/ Independent	No	3	10	4	1
Dr. D.G. Kadkade	Non-Executive/ Non-Independent	No	4	1	1	-
Shri G.P. Gaur, Whole-time Director	Executive	No	5	1	-	-
Dr. R.L. Gupta	Non-Executive/ Independent	No	5	1	-	-
Shri S. S. Gupta	Non-Executive/ Independent	No	5	-	-	-
Dr. E.R.C. Shekar	Non-Executive/ Non-Independent	No	Nil	4	-	2
Shri R. K. Narang, Whole-time Director	Executive	Yes	5	-	-	-
Shri Suresh Chandra, Whole-time Director	Executive	No	4	-	-	-
Shri Praveen Kumar Singh	Non-Executive/ Non-Independent	NA	2	3	-	-

Changes in the Board during FY 2010-11

- Shri B.K.Gupta ceased to be the Director of the Company w.e.f 1st March, 2011 consequent upon his resignation/withdrawal of nomination by Life Insurance Corporation of India. He attended five Board Meetings from 1st April, 2010 to 1st March, 2011.
- Shri J.N.Gaur, ceased to be Director/Whole-time Director w.e.f 30th September, 2010. He attended 2 Board Meetings from 1st April, 2010 to 30th September, 2010 and also attended Annual General Meeting held on 24th September, 2010.

- Shri Praveen Kumar Singh was appointed as Director on 30th October, 2010 in casual vacancy caused due to cessation of Shri J.N.Gaur.

Changes in the Board after 31st March, 2011

- Shri G.P.Gaur was appointed as Whole-time Director (Executive Director) w.e.f 1st February, 2011 (remuneration payable to him w.e.f. 1st April, 2011), however, he resigned as Whole-time Director as on 30th June, 2011. However, he continues to be Non-Executive Director.

- ii) Dr.E.R.C. Shekar ceased to be the Director of the Company w.e.f 8th May, 2011, consequent upon his resignation.
- iii) Shri S.K. Jain and Dr. D.G. Kadkade ceased to be the Directors of the Company w.e.f. 9th August, 2011 consequent upon their resignation.
- iv) Shri Dharam Paul Goyal, Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha and Shri Praveen Kumar Singh were appointed as Whole-time Directors of the Company w.e.f. 12th August, 2011.

Notes :

- i) Other Directorships of only Indian Public Limited Companies have been considered pursuant to Clause 49 of Listing Agreement.
- ii) Committee positions of only 2 Committees namely Audit Committee and Investors'/Shareholders' Grievance Committee have been considered pursuant to Clause 49.
- iii) None of the Directors of the Company is related to any other Director.
- iv) In the absence of Shri B.K.Taparia, Chairman Audit Committee due to his ill health, Shri B.B.Tandon Member Audit Committee was present at the last Annual General Meeting to address queries of shareholders, if any.

Number of Equity Shares held by Directors as on 31st March, 2011 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	5700
3	Shri Suren Jain	Managing Director & CFO	16700
4	Shri Sarat Kumar Jain	Director	25925
5	Shri B.K. Taparia	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	Dr. R.C. Vaish	Director	-
12	Dr.D.G. Kadkade	Director	57100
13	Dr.E.R.C.Shekar	Director	-
14	Dr. R.L.Gupta	Director	12850
15	Shri R.K. Narang	Whole-time Director	4850
16	Shri Suresh Chandra	Whole-time Director	-
17	Shri G.P.Gaur	Whole-time Director	25000
18	Shri S.S.Gupta	Director	-
19	Shri Praveen Kumar Singh	Director	250000

In addition to above :

1. Shri S.K.Jain holds 400 Equity Shares jointly with Jaiprakash Associates Ltd. (JAL). The beneficial interest of the said shares is with JAL.
2. 74,38,200 Equity Shares held by Shri B.K.Taparia as Trustee on behalf of Jaypee Group Employees Welfare Trust, who has the beneficial interest in the said shares.
3. The Directors are not holding any convertible instruments.

Number of Board Meetings held and dates thereof

During the financial year 2010-11, 5 meetings of the Board of Directors were held. The meetings were held on 29th May, 2010, 24th July, 2010, 30th October, 2010, 15th January, 2011 and 14th February, 2011. 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 31st March, 2011 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 4 Independent Directors.

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 accordance with those contained under Clause 49 of the Listing Agreement or the Act.

Four meetings of the Committee were held during the year i.e. on 29th May, 2010, 24th July, 2010, 30th October, 2010 and 15th January, 2011.

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 of the members at the meetings are as under:

Name & Position	No. of Meetings held during the tenure of the member	Number of Meetings attended
Shri B.K. Taparia , Chairman	4	4
Shri B.K. Batra, Member (IDBI – Nominee)	4	3
Shri B.K. Gupta, Member (LIC – Nominee)*	4	4
Shri B.B. Tandon, Member	4	4

1. *Shri B.K.Gupta ceased to be the Director of the Company w.e.f 1st March, 2011 consequent upon his resignation/withdrawal of nomination by Life Insurance Corporation of India. Consequently, he ceased to be member of the Audit Committee.

2. Shri R.N Bhardwaj was co-opted as a member of the Audit Committee w.e.f. 14th May, 2011 in place of Shri B.K.Gupta.

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 Managing/ Whole-time Director(s). The Remuneration is paid to Managing/ Whole-time Directors in the form of Salary and Perquisites.

The Remuneration Committee comprises of three (3) Independent Directors. Only one meeting of the Remuneration Committee was held on 15th January, 2011.

The constitution of the Remuneration Committee and attendance

of members at the meeting are as under:

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

1. Details of Remuneration paid to all the Directors

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

The details of aggregate value of salary and perquisites paid to Executive Directors for the year ended 31st March, 2011 are as under:

Name	Designation	Salary (Rs.)	Perquisites Including P.F. (Rs.)	Total (Rs.)
Shri Sunil Kumar Sharma	Vice Chairman & Chief Executive Officer	#	#	#
Shri Suren Jain	Managing Director & CFO	71,28,000	15,61,794	86,89,794
Shri J.N. Gaur*	Whole-time Director	18,72,000	27,91,412	46,63,412
Shri R.K. Narang	Whole-time Director	38,88,000	12,63,600	51,51,600
Shri Suresh Chandra	Whole-time Director	33,12,000	8,74,874	41,86,874

Shri Sunil Kumar Sharma is on the Board as Vice Chairman and Chief Executive Officer but does not draw any remuneration from the Company. He is also Executive Vice Chairman of Jaiprakash Associates Limited and draws remuneration from that Company.

* Shri J.N.Gaur, ceased to be Director/Whole-time Director w.e.f 30th September, 2010. Accordingly, the remuneration pertains to that period only.

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 its Committees thereof held during the Financial Year.

The quantum of sitting fees payable to Non-Executive Directors is in terms of the provisions of the Act.

The details of the sitting fee paid to the Non-Executive Directors of the Company during the financial year ended 31st March, 2011 are as under:

Name of the Director	Designation	Total sitting fee paid (Rs.)
Shri Manoj Gaur	Chairman	100000
Shri Sarat Kumar Jain	Director	220000
Shri B.K. Taparia	Director	200000
Shri A.K.Goswami	Director	220000
Shri R.N.Bhardwaj	Director	100000
Shri S.C.Bhargava	Director	60000
Shri B.K. Batra*	Director (IDBI Nominee)	160000
Shri B.K. Gupta**	Director (LIC Nominee)	180000
Dr. R.C. Vaish	Director	60000
Dr.D.G. Kadkade	Director	120000
Shri G.P. Gaur	Director	80000
Dr. R.L. Gupta	Director	140000
Shri B.B. Tandon	Director	220000
Shri S.S. Gupta	Director	120000
Shri Praveen*** Kumar Singh	Director	40000

Notes:

1. Sitting Fee represents payment to the Directors for attending meetings of the Board and the Committees thereof.
2. *Sitting Fee was paid directly to IDBI.
3. ** Shri B.K.Gupta ceased to be the Director of the Company w.e.f 1st March, 2011 consequent upon his resignation / withdrawal of nomination by Life Insurance Corporation of India.
4. *** Shri Praveen Kumar Singh was appointed as Director on 30th October, 2010 in casual vacancy caused due to resignation of Shri J.N.Gaur.

Since Jaypee Karcham Hydro Corporation Limited (JKHCL) and Bina Power Supply Company Limited (BPSCL) have been amalgamated with the Company in terms of Order dated 25th July, 2011 of Hon'ble High Court of Himachal Pradesh at Shimla w.e.f. 1st April, 2010, the Appointed Date, the details of remuneration and sitting fees paid to the Directors of merged Subsidiaries are also given below:

- a) The details of remuneration paid to the Directors of **Jaypee Karcham Hydro Corporation Limited (erstwhile subsidiary which has now been merged with the Company)** during the financial year ended 31st March, 2011 are given below:

Name of the Director	Designation	Salary (Rs.)	Perquisites Including P.F. (Rs.)	Total (Rs.)
Shri D.P. Goyal	Managing Director	71,28,000	15,12,804	86,40,804
Shri Praveen Kumar Singh	Whole-time Director	45,36,000	11,10,424	56,46,424
Lt. Gen.(Retd.) Shri Ravindra Mohan Chadha	Whole-time Director	31,68,000	6,15,577	37,83,577

- b) The details of sitting fees paid to the Directors of Jaypee Karcham Hydro Corporation Limited (erstwhile subsidiary which has now been merged with the Company) during the financial year ended 31st March, 2011 are given below :

Name of the Director	Designation	Total sitting fee paid (Rs.)
Shri Sunil Kumar Sharma	Chairman	100000
Shri Manoj Gaur*	Vice Chairman	20000
Shri Suren Jain	Director	80000
Dr.B.Samal	Director	200000
Shri G.P.Singh	Director	220000
Shri B.M.Agarwal	Director	220000
Shri Arun Gupta **	Director	40000
Shri Rakesh Sharma	Director	60000
Shri M.A.Siddiqi	Director	20000
Shri Narendra Singh	Director	120000

*Shri Manoj Gaur ceased to be Director/Vice-Chairman of erstwhile JKHCL w.e.f 20th October, 2010 consequent upon his resignation.

- ** Shri Arun Gupta also ceased to be Director of erstwhile JKHCL w.e.f. 31st August, 2010 consequent upon his resignation.

- c) The details of remuneration paid to the Directors of **Bina Power Supply Company Limited (erstwhile subsidiary which has now been merged with the Company)** during the financial year

ended 31st March, 2011 are given below :

Name of the Director	Designation	Salary (Rs.)	Perquisites Including P.F. (Rs.)	Total (Rs.)
Shri P.K.Jain	Whole-time Director	47,52,000	7,03,755	54,55,755
Shri V.K.Shriwastava	Whole-time Director	24,96,000	4,13,409	29,09,409

d) No Sitting Fee was paid during the year to the Directors of **Bina Power Supply Company Limited.**

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee comprises Dr. R.L. Gupta (Chairman), Dr. D.G. Kade, 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 the redressal of shareholders' complaints. During the year, two (2) meetings of the Committee were held on 6th October, 2010 and 29th December, 2010 and the record of attendance of the members is given below:

Name & Position	No. of Meetings held during the tenure of the member	Number of Meetings attended
Dr. R.L. Gupta, Chairman	2	2
Dr. D.G. Kade, Member	2	2
Shri R.K. Narang, Member	2	2

Note:

- Dr. D.G. Kade ceased to be Director of the Company w.e.f. 9th August, 2011. Accordingly, he ceased to be member of the Committee.
- Shri D.P. Goyal was co-opted as member of the Committee w.e.f. 12th August, 2011.

As on 1st April, 2010, there were no pending investors' references. The Company received 104 investors' references during the Financial Year 2010-11 and all the 104 investors' references were addressed/resolved by 31st March, 2011. There was no pending investors' reference as on 31st March, 2011.

7. SUBSIDIARY COMPANIES

The names of subsidiary companies and the extent of Shareholding of the Company in the respective subsidiaries are as under:

S.No.	Name of the Company	% Holding
1.	Jaypee Powergrid Limited	74%
2.	Jaypee Arunachal Power Limited	100%
3.	Sangam Power Generation Company Limited	100%
4.	Prayagraj Power Generation Company Limited	100%
5.	Jaypee Meghalaya Power Limited (w.e.f. 26.08.2010)	100%

The Company has no material non listed subsidiary companies in terms of Explanation 1 to Sub clause 3 of Clause 49 of the Listing Agreement.

The Audit Committee of the Company reviews the financial statements and investments made by the above subsidiary companies. The minutes of the Board Meeting and statements of significant transactions and arrangements entered into by these subsidiaries are also placed at the Board Meeting 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, the Vice-Chairman & CEO and Managing Director & CFO have submitted necessary certificate to the Board of Directors stating the compliance of particulars specified under the said clause.

This certificate has been reviewed and taken on record by the Board of Directors at its meeting held on 11th August, 2011.

10. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are mentioned below:

Year	2007-08	2008-09	2009-10
Date	6th August, 2008	18th August, 2009	24th Sept., 2010
Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue of the Meeting	JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan(H.P.)	JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.)	JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.)

DETAIL OF SPECIAL RESOLUTION(S) PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS

(A) Financial Year 2007-08

No Special Resolution was passed in the Annual General Meeting.

(B) Financial Year 2008-09

- Resolution under Section 81 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.

(C) Financial Year 2009-10

No Special Resolution was passed in the Annual General Meeting.

DETAIL OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year ended 31st March, 2011, 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 Scrutinizers and Alternate Scrutinizers 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 newspapers and were also displayed on the website of the Company, www.jppowerventures.com. Details of the same are given below:

(A) Resolutions passed on 21st December, 2010

S. No.	Particulars	Details/Dates
1	Date of Board Meeting	30th October, 2010
2	Scrutinizer appointed by the Board of Directors	Shri V. P. Kapoor, FCS, AICWA, LL.B., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors	Shri M.L.Arora M.A. (Eco), LLB FCS, Practising Company Secretary

S. No.	Particulars	Details/Dates
4	Date of Notice seeking Shareholders' approval	30th October, 2010
5	Date of completion of Dispatch of Notice	20th November, 2010
6	Last Date of receipt of duly filled Postal Ballot Forms	20th December, 2010
7	Date of submission of Scrutinizer's report to the Chairman	21st December, 2010
8	Date of declaration of Result	21st December, 2010

Particulars of Resolutions Passed

Resolution No.	Particulars	Whether Ordinary/Special
1	Alteration of 'Objects Clause' of Memorandum of Association of the Company	Special
2	Approval for Commencement of business or businesses specified in 'other objects' clause of Memorandum of Association, pursuant to Section 149 (2A) (b) of the Companies Act, 1956.	Special
3	Creation of security in respect of Non Convertible Debentures.	Ordinary

Voting Pattern

Particulars	Total Votes	Total Valid Votes	Total Valid votes cast in favour of the Resolution	Total Valid votes cast against the Resolution
Resolution no. 1	209,56,80,200	184,10,76,371	184,10,17,631 99.997%	58,740 0.003%
Resolution no. 2	209,56,80,200	184,10,38,100	184,09,77,477 99.997%	60,623 0.003%
Resolution no. 3	209,56,80,200	184,10,15,560	183,04,80,328 99.428%	105,35,232 0.572%

(B) Resolutions passed on 16th April, 2011

S. No.	Particulars	Details/Dates
1	Date of Board meeting	14th February, 2011
2	Scrutinizer appointed by the Board of Directors	Shri M.L.Arora, M.A. (Eco), LL.B, FCS, Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors	Shri D.P. Gupta, B. Com, FCS, Practising Company Secretary
4	Date of Notice seeking Shareholders' approval	14th February, 2011
5	Date of completion of Dispatch of Notice	12th March, 2011
6	Last Date of receipt of duly filled Postal Ballot Forms	15th April, 2011
7	Date of submission of Scrutinizer's report to the Chairman	16th April, 2011
8	Date of declaration of Result	16th April, 2011

Particulars of Resolutions Passed

Resolution No.	Resolution No. & Particulars	Whether Ordinary/ Special
1.	Increase in Authorized Share Capital	Ordinary
2.	Raising of funds through QIP / FCCBs / ADRs /GDRs/ OCPS /CCPS, etc. pursuant to Section 81 of the Companies Act, 1956.	Special

Voting Pattern

Particulars	Total Votes	Total Valid Votes	Total Valid votes cast in favour of the Resolution	Total Valid votes cast against the Resolution
Resolution no. 1	209,56,80,200	184,08,27,876	183,27,96,474 99.56%	80,31,402 0.44%
Resolution no. 2	209,56,80,200	184,07,62,287	183,26,87,987 99.56%	80,74,300 0.44%

11. RECONCILIATION OF SHARE CAPITAL AUDIT

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

12. MEANS OF COMMUNICATION

Financial Results

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.

The Company has already posted the Annual Report for the year ended 31st March, 2011 on its website for the information of the members.

Green Initiative

A new arena of interface has been introduced by the Ministry of Corporate Affairs (MCA) whereby the Company can send the statutory communication to the members at their e-mail addresses registered with the Company / Depository.

To implement the Circular no. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively, the Company has vide its Circular Letter dated 11th July, 2011 to the members has intimated that the communication to members shall be sent, from time to time at their e-mail addresses registered with the Depositories and/or made available to the Company.

In case any member is holding shares in physical form or has not registered his e-mail address or want to effect any changes therein may do so by sending request at jpvl.gogreen@alankit.com or alternatively, the member can contact M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi 110 055, the Company's Registrar and Share Transfer Agents.

13. Management Discussion & Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report.

14. COMPLIANCE OFFICER

The Board had designated Shri M.M. Sibbal, Senior General Manager & Company Secretary as Compliance Officer.

Address : Sector-128, Noida-201 304 (U.P)

e-mail : mm.sibbal@jalindia.co.in

Phone : +95-120-4609355

Fax : +95-120-4609464

15. GENERAL SHAREHOLDERS' INFORMATION

16th Annual General Meeting

Day : Friday,

Date : 30th September, 2011

Time : 11.00 A.M.

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

Dates of : 24th September, 2011 to 30th September, 2011

Book Closure (both days inclusive)

16. FINANCIAL CALENDER

Details of announcement of Financial Results for different periods during the year 2010-2011 are as under:

Results	Announced on
For 1st Quarter ended 30th June, 2010	24th July, 2010
For 2nd Quarter ended 30th September, 2010	30th October, 2010
For 3rd Quarter ended 31st December, 2010	15th January, 2011
For the 4th Quarter/Year ended 31st March, 2011	14th May, 2011

The Financial Results were reviewed by the Audit Committee and thereafter approved by the Board. Annual Audited Financial Results for the Financial Year ended 31st March, 2011 were announced on 11th August, 2011.

17. DIVIDEND

During the year the Board has not recommended any dividend.

18. LISTING ON STOCK EXCHANGES

Equity Shares

The Equity shares of the Company are listed on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

Stock Code

The stock code of the Equity 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

Debt Securities

Details of Debt Securities listed on Stock Exchange are given below:

- 14049 Zero Coupon Secured Redeemable Non-convertible Debentures of Rs.10 lac each privately placed with ICICI Bank Ltd. stands listed at Bombay Stock Exchange Ltd.
- 159500 Zero Coupon Secured Redeemable Non-convertible Debentures of Rs.1 lac each privately placed with ICICI Bank Ltd. stands listed at Bombay Stock Exchange Ltd.

Quantity	ISIN No.	Scrip code
14049	INE351F07148	947145
159500		
• 36600	INE351F07155	947154
• 38700	INE351F07163	947155
• 41000	INE351F07171	947156
• 43200	INE351F07189	947157

The Company has paid annual listing fees due to the above Stock Exchanges for the year 2011-12 .

Company's USD 200 Million FCCBs are listed on the Singapore Stock Exchange, details whereof are mentioned below :

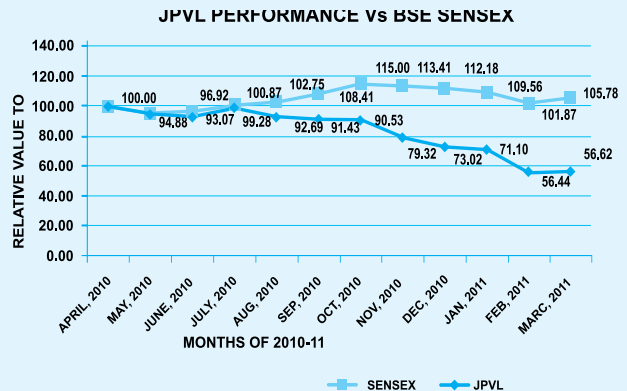
Name of Stock Exchange	Common Code
Singapore Stock Exchange	048369715
ISIN No.	XS0483697156

19. Market Price Data

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

Month	Share Price at BSE(Rs.)		Share Price at NSE(Rs.)		BSE Sensex (Rs.)	
	High	Low	High	Low	High	Low
April, 2010	76.00	67.60	75.50	69.10	18047.86	17276.8
May, 2010	75.00	61.10	74.10	62.15	17536.86	15960.15
Jun, 2010	72.00	61.65	71.60	63.45	17919.62	16318.39
Jul, 2010	75.45	67.00	73.85	68.85	18237.56	17395.58
Aug, 2010	70.90	62.20	69.85	63.30	18475.27	17819.99
Sep, 2010	68.30	63.00	67.25	63.70	20267.98	18027.12
Oct, 2010	70.00	60.00	69.10	62.45	20854.55	19768.96
Nov, 2010	67.35	46.55	65.80	50.70	21108.64	18954.82
Dec, 2010	56.85	48.00	54.95	48.80	20552.03	19074.57
Jan, 2011	58.05	44.05	57.20	45.10	20664.8	18038.48
Feb, 2011	45.70	35.35	44.25	36.85	18690.97	17295.62
Mar, 2011	43.60	37.70	42.15	38.50	19575.16	17792.17

Performance of the Company in comparison to BSE -Sensex



20. 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 address of the Company for redressal of investors' complaints: jpv.investor@jalindia.co.in

21. 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.

22. DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on 31st March, 2011, was as follows:

Nominal Value of Shareholding	Shareholders		Shares	
	(Rs.)	Number	% to Total	Number
Upto 10,000	314359	93.92	66665055	3.181
10001 - 50,000	18307	5.469	36928567	1.762
50,001 - 100000	1213	0.362	8870495	0.423
100001 - 200000	438	0.131	6352540	0.303
200001 - 300000	132	0.039	3350980	0.160
300001 - 400000	67	0.02	2377047	0.113
400001 - 500000	33	0.01	1508064	0.072
500001 and above	163	0.049	1969627452	93.99
TOTAL	334712	100	2095680200	100

Category Wise Shareholding as on 31st March, 2011

Held by :	% holding
Promoters (Jaiprakash Associates Ltd. and Jaypee Ventures Pvt. Ltd.)	87.00
Banks / Mutual Funds/FI/FILs	5.41
NRIs	0.08
Indian Public	7.51
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 etc.

23. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on 31st March, 2011 only 21216 shares are held by the shareholders in physical form and the rest are in dematerialized form. The shares of the Company are in futures and options segment on NSE and BSE and are actively traded.

24. i) Unclaimed Dividend

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.

ii) Unclaimed Shares

In the year 2005, the Company came out with a Public Offer for Sale of Equity shares. Pursuant to such offer, shares were allotted /credited to the respective accounts of successful investors. However, certain shares could not be credited to the accounts of successful applicants due to insufficient/incorrect particulars of their depository accounts such as: invalid Demat Account, incorrect DP ID/Client ID, incomplete Demat Account details, different pattern of

name etc. leading to certain number of shares remaining unclaimed. However, upon references received by the then Registrar M/s Karvy Computershare Pvt. Ltd., Hyderabad, from investors from time to time, certain number of the unclaimed shares were credited to the accounts of successful/rightful applicants.

In view of the recently introduced Clause 5A of Listing Agreement and in compliance thereof, the then Registrar had sent three mandatory reminders to the applicants at their last known addresses/addresses mentioned in the Application Form and such references received were resolved. However, in respect of 119 unresolved cases of investors representing 34900 Equity Shares, a new Depository account with the name and style "JAIPRAKASH POWER VENTURES LIMITED – UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT" was opened with Alankit Assignments Limited and 34900 Equity Shares stood transferred from the Escrow Account and credited to the newly opened account.

Investors are being regularly approached for the submission of correct particulars/information. As and when the responses are received from investors, requisite credit of Shares would be afforded to rightful applicants/investors.

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

The Company issued Foreign Currency Convertible Bonds in the Financial Year 2009-10 with aggregate value of USD 200 Million were outstanding as on date.

The details of FCCB 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, 2011	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.	107535026

26. PROJECT/PLANT LOCATIONS

The Company is engaged in the business of development, owning and operating Power generation plants including Hydro-Power and Thermal Power.

SECTOR	PROJECT NAME	STATE
Hydro Power	Jaypee Baspa-II Hydro-Electric Power Plant	Himachal Pradesh
Hydro Power	Jaypee Vishnuprayag Hydro-Electric Power Plant	Uttarakhand
Thermal Power	Jaypee Nigre Super Thermal Power Project	Madhya Pradesh
Hydro Power	Jaypee Karcham Wangtoo Hydro-Electric Power Plant	Himachal Pradesh
Thermal Power	Jaypee Bina Thermal Power Plant	Madhya Pradesh

27. ADDRESS FOR CORRESPONDENCE

Company's address:

Registered Office : JUIT Complex, Waknaghat,
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:91-11-23552001
E-mail : info@alankit.com

28. ELECTRONIC CLEARING SERVICE (ECS)

ECS facility ensures timely remittance of dividend without possible delay to its shareholders who have opted for payment of dividend through ECS, in Metropolitan Cities. Shareholders/Members holding shares in electronic form may register their ECS details with their respective Depository Participants and Shareholders/Members holding shares in physical form may register their ECS details with the Company's Registrars and Share Transfer Agent.

29.I NON-MANDATORY REQUIREMENTS

- a) The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in para 5 of this report.
- b) 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.
- c) The Company uploads its Quarterly, Half – Yearly and Annual Results on its website – www.jppowerventures.com which is accessible to all. The results are also reported to Stock Exchanges and published in National Newspapers in English and in Hindi newspapers having wide circulation.
- d) The Company believes in maintaining its Accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. During the year under review, there is no audit qualification in its financial statements.

29.II VOLUNTARY GUIDELINES ON CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) had issued voluntary guidelines on Corporate Governance in December, 2009 to serve as benchmark for the corporate sector and help them achieve highest standard of Corporate Governance. The Company has adopted some of the guidelines proposed by MCA, details of

which are given below. The Company endeavors to adopt the rest in a phased manner.

A. Independent Directors

Independent Directors have the option and freedom to interact with the Management periodically as and when they deem necessary.

B. Remuneration of Directors

(i) Remuneration to Non-Executive Directors - Sitting Fee of Rs. 20,000/- is being paid to Non-Executive Directors for attending each meeting of the Board and Committees thereof which is maximum amount that can be paid under the Companies Act, 1956.

(ii) Remuneration Committee

The Company has a Remuneration Committee of the Board comprising of three members, all being Non-Executive Independent Directors. The Committee recommends/reviews the Remuneration package of the Executive Directors.

(iii) Audit Committee of Board

Constitution

- The Company has an Audit Committee comprising of four members all being Non-Executive Independent Directors. The Chairman of the Audit Committee is an Independent Director. All the members of Audit Committee have knowledge of financial management, audit & accounts.

Provision of Information and Back-up support

- Audit Committee is provided with back office support and other resources of the Company, as and when required, has access to information contained in the records of the Company and has the facility of having separate discussions with both Internal and Statutory Auditors as well as Management.

Role and Responsibilities

- Role and responsibilities of the Audit Committee, inter-alia, include recommending appointment, re-appointment or removal of Statutory Auditors/ Cost Auditors/Internal Auditors and remuneration payable to them, review of Internal Audit Reports/ Cost Audit Reports, Quarterly and Annual Financial Results, Annual Budget and Variance Reports etc.

(iv) Auditors

Appointment of Auditors

Audit Committee is the first point of reference regarding the appointment of auditors. Keeping in view the profile of the audit firm, qualifications and experience of partners of firm of Auditors, strengths and weaknesses, if any, the Audit Committee recommends the appointment/ re-appointment of the Statutory Auditors of the Company. While discharging its duty, the Audit Committee examines and reviews the documentation and the certificate for proof of independence of the firm of Auditors before

recommending to the Board, with reasons, either the appointment/re-appointment or removal of the Statutory Auditors.

• **Need for clarity on information to be sought by the Auditor**

There is sufficient clarity between the Management and the Auditor on the amount and nature of documents to be made available for audit purpose.

(v) **Appointment of Internal Auditors**

M/s. Rajendra K Goel & Co., Chartered Accountants, an independent firm have been appointed as the Company's Internal Auditors for each of the Company's project. The Internal Audit Reports are placed before the Audit Committee on quarterly basis alongwith Management's observations thereon. The members of the Audit Committee inter-act with the Internal Auditors, who are invited for attending the meeting of the Audit Committee.

(vi) **Institution of mechanism for Whistle Blowing**

No formal Whistle Blowing Policy is in place. However, the Company has not denied access to any personnel to approach the Management or the Audit Committee on any issue.

30. DISCLOSURES

- a) 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.

- b) 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.
- c) 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.
- d) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- e) 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.

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 framed for Directors and Senior Management, as approved by the Board, for the year ended 31st March, 2011.

Place: New Delhi
Date: 3rd August, 2011

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, 2011, 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
Firm Regn No. 002626N
(CA R NAGPAL)

Place : Noida
Date : 11th August 2011

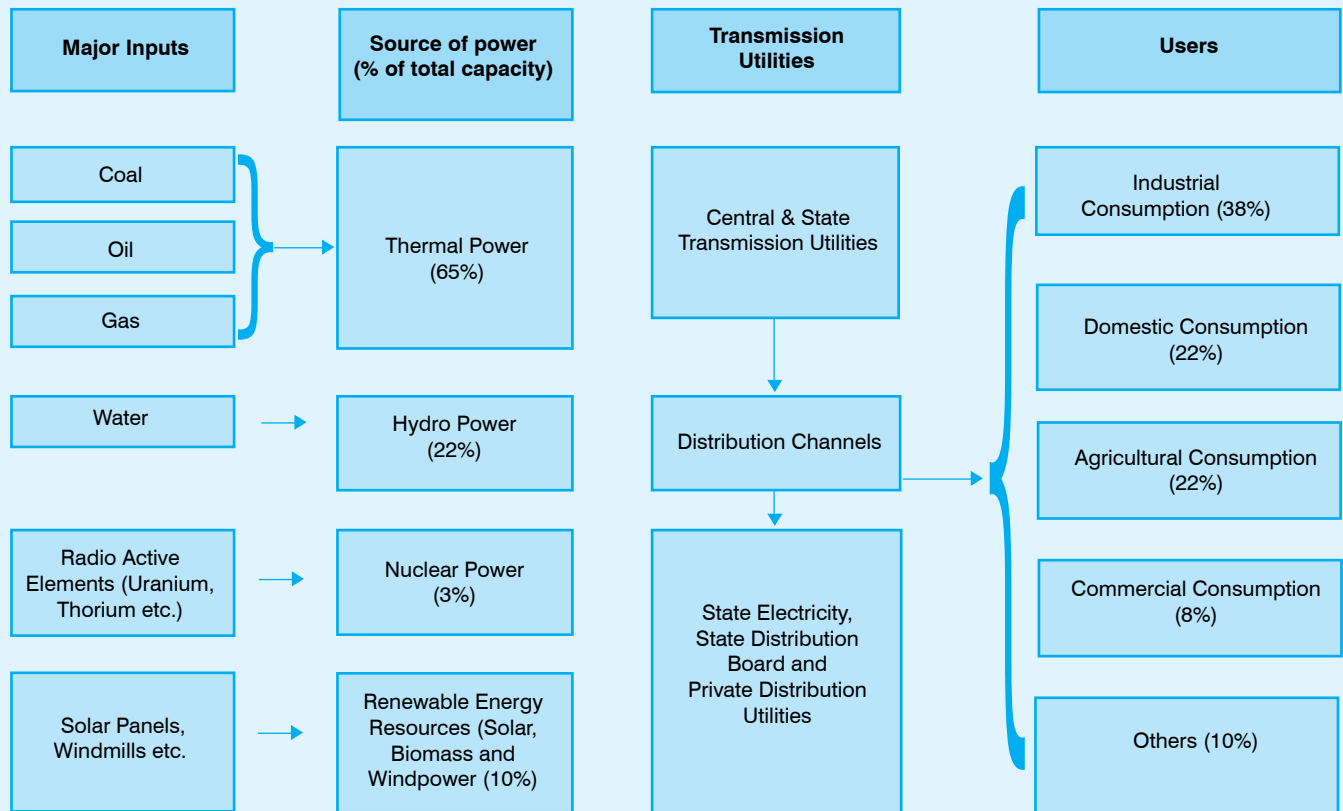
Partner
Membership No. 81594

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
 (forming part of Directors' Report for the year ended 31st March, 2011)

Industry Structure and Developments

The Indian Power Industry is one of the largest and most important industries in India as it fulfills the energy requirements of various other industries. It is one of the most critical components of Infrastructure that affects economic growth and the well being of our nation. Growth in the power sector is related to India's GDP growth rate and hence, in order to sustain the growth of 8% to 9% in GDP, India needs to continuously add the power generation capacity commensurate with this pace.

Snapshot of Power Generation, Transmission and End users



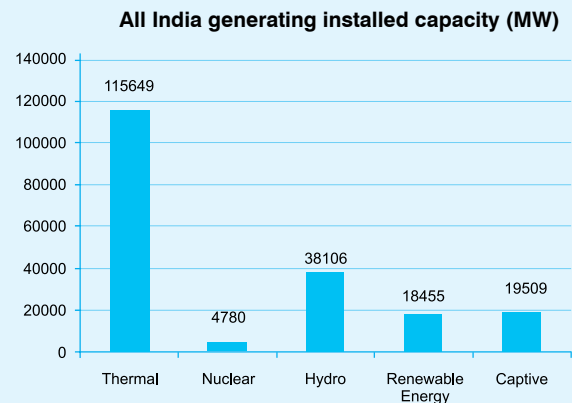
Electricity Demand

In a global perspective, one sees the China's current energy consumption is 1100 to 1200 Mtoe and USA's current consumption is 2400 to 2500 Mtoe. In comparison India consumed about 421 Mtoe of Commercial Energy in 2007-08. With a projected population of just under 1.47 billion in 2031-32 India on per capita energy consumption will be marginally above China's current per capita consumption or be about 1/7th of the current US per capita consumption. This means that India's per capita basis, currently consumption is under 6% of the US consumption and under 41% of China's consumption and by 2031-32, will be consumption just under 15% of current US consumption levels and equal China's current per capita consumption. More importantly, India's per capita energy consumption i.e. less than 27% of 2003-04 level of global average energy consumption shall in 2031-32 is expected remain just about 74% of current global average.

India is the World's sixth largest energy consumer accounting for 3.4% of global energy consumption. Due to India's Economic rise, the demand for energy has grown at an average of 3.6% p.a over the past thirty years. India is also the sixth largest in terms of power generation. The Government has set up an ambitious target to add approximately 78000 MW of installed generation capacity by 2012

and as per the Mid Term Appraisal of Planning Commission, the likely capacity addition during 11th plan is 62374 MW. The total demand for electricity in India is expected to cross 9,50,000 MW by 2030.

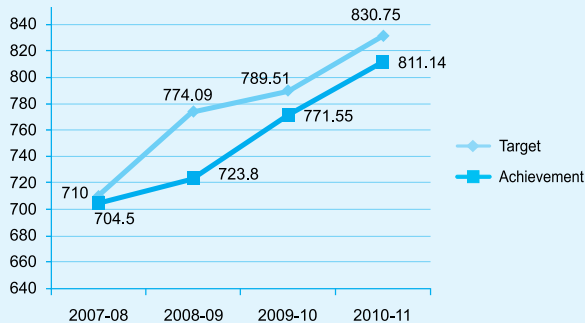
The **all India generating installed capacity (MW) by thermal, nuclear, hydro etc. as on 30th June, 2011** was as under :



Source : CEA

To sustain the GDP growth rate of India @ 8% plus per annum India needs the power sector to grow at 1.8 to 2 times the GDP rate of growth as espoused by economic planners and industry experts. This would mean year on year capacity additions of 18000 to 20000 MW to achieve this ambitious plan of moving India to a developed economy status as an economic global power house. The target mission 'Power for all by 2012' would mean achieving the target of 1000 KWhr (units) of per capita consumption of electricity by this period.

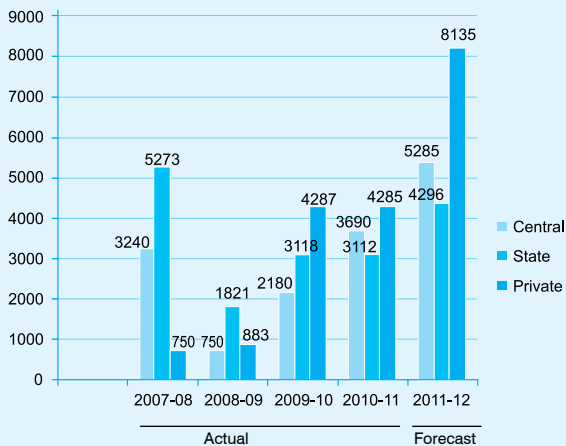
Programme, actual achievement and growth in electricity generation (in BU) in the country during 2007-08 to 2010-11:



Source : CEA

The share of the State sector in incremental capacity is expected to decline, as a few new projects (in addition to those which are already in advance stages of planning and implementation) are likely to slip due to the poor financial conditions of SEBs.

Power capacity addition and forecast by Sector (in MW)



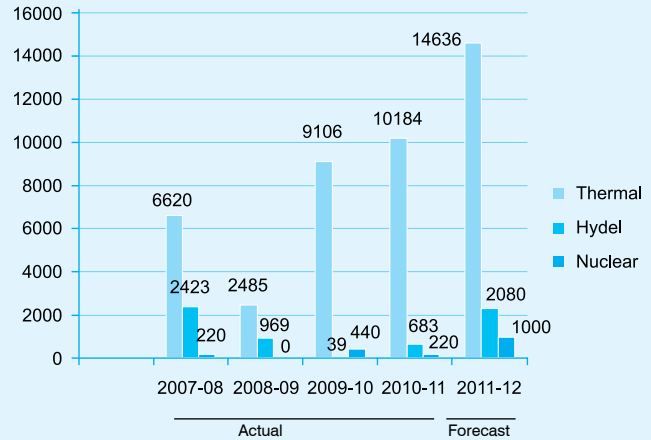
Source : CEA

- i) The classification is based on current ownership pattern
- ii) Central sector includes the generating companies in which Central Government has majority stake.
- iii) Private sector includes licensee and IPP's
- iv) State sector includes state sector generating companies and joint ventures of state governments.

In the medium term, thermal power is likely to remain the major source of generation as the coal based (pit head plants) / gas based projects presently have a competitive tariff advantage over renewable energy projects. The thermal based capacity of about 29000 MW is under

construction (under 11th plan) and about 75000 MW coal based capacity and 10000 MW gas based capacities are being planned for 12th plan period.

Power Capacity addition and forecast by fuel (in MW)



Source : CEA

Note: Thermal plant includes plant based on fuel such as lignite, coke, residual oil, gas/naphtha and coal.

According to the CRISL report (June, 2010) out of 82000 MW (scheduled for commissioning over the next five years), more than 90% of the projects have received environmental/forest clearances, acquired land, achieved financial closures and placed equipment orders. About 80% of the above projects have either signed PPAs or earmarked a portion of their total power for merchant sales.

Captive Power Plants

Large number of captive plants including co-generation power plants of varied type and sizes exist in the country which are either utilized in process industry or used for in-house power consumption. It is envisaged that the generation from non-utility captive power plants by the year 2011-12 may be of the order of 131 billion units which results into a CAGR of 10.5% p.a in captive generation.

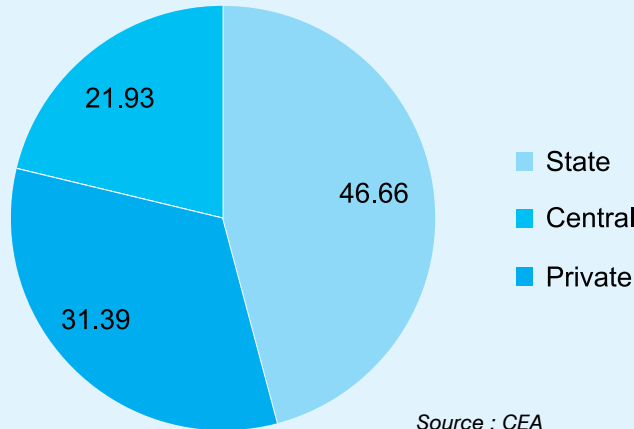
There have been also issues pertaining to the coal imports such as steep escalation in international coal prices, freight etc. With the sudden emergence of China as a major buyer of coal, global coal prices have witnessed sharp escalation. Several players are also scouting for acquisition of overseas coal assets.

Policy & Regulatory framework

Being a highly regulated sector, policies and regulations are playing a pivotal role in the development of this sector. Over the years, the government has realized the importance of the private sector participation. The Electricity Act, 2003 was a turning point in the reforms process which removed the need for license for generation projects, encouraged competition through international competitive bidding, identified transmission as a separate activity and invited a wider public and private sector participation among other things. Some of the other major reforms that have been implemented over the years include unbundling of SEBs, tax benefits, accelerated power development and reforms. Furthermore, the National Tariff Policy of 2006 encourage private investment in the transmission sector through competitive bidding.

In India, power is generated by Central Utilities, State Utilities and Private players. The share of installed capacity of power available with each of the three sectors as on 30th June, 2011 was as under :

The power sector in India involves governance by the Central and State Regulatory Agencies. The three chief regulators for the power sector are Central Electricity Regulatory Commission, Central Electricity



Authority and the State Electricity Regulatory Commission(s). Also the Indian Power Sector organization is segregated into five autonomous grids, namely, the Northern, Eastern, Western, Southern and North-Eastern.

Roadmap for 12th Plan (2012-17)

Under various growth scenarios the capacity additions required during 12th plan would be in the range of 71000 to 107500 MW, based on normative parameters. The working group on power recommends a capacity addition of 82200 MW for the 12th plan based on the scenario on 9% GDP growth rate and at an elasticity of 0.8%. During 12th Plan about 30000 MW capacity addition is likely to be based on hydro and about 11000 to 13000 MW would be nuclear based. The balance capacity addition would be from thermal projects.

Ministry of Power and Central Electricity Authority (CEA) have projected a total investment requirement of Rs.1135142 crores for the power sector during 12th plan period which also includes investment for generation capacity additions of about 100000 MW.

The Electricity Act, 2003 has helped in contributing to the incremental capacity addition during the 11th plan by approximately 40% and is expected to increase even further to 50% during the 12th plan.

In the first four years of 11th plan power capacities have increased by 32889 MW and may reach 50000 MW (approx.) by the end of the plan. Around 17000 MW of power capacity is scheduled to be added in 2011-12.

The government has fixed the target of 100000 MW of capacity addition for the 12th plan with private sector likely to contribute 62%.

Transmission and Distribution

The overall distribution loss levels while remaining high in absolute terms have shown improvements on account of improvement in the areas of energy audit, system strengthening, rural load management and prevention of thefts. However, there has been sharp rise in subsidy dependence of distribution utilities and SEBs in many of the states. The planning commission has proposed setting up a National Electricity Fund with corpus of Rs.100000 crore to Rs.150000 crore

with State run Power Finance Corporation and Rural Electrification Corporation as the nodal agencies to finance development of power transmission and distribution network by State Utilities so as to reduce Transmission and Distribution losses. The proposed fund aims lines using new technology to reduce Transmission and Distribution losses to 15% by 2012.

Govt. of India is planning to develop National Inter State transmission Grid with inter-regional transfer capacities of 37700 MW at an investment of Rs.55000 crore by FY 2012.

The Empowered Committee of the Ministry of Power for development of Inter State Transmission lines has recommended setting up of five new transmission lines with an estimated length of 2600 Km. These projects would be awarded through tariff based competitive bidding process and are expected to be completed in the 12th Five year plan (2012-17).

Opportunities

- Wider participation of private sector because of discontinuation of license for generation of power.
- According to the data from Ministry of Power, per capita consumption of energy in India is projected to increase from the present level of 474 Kwh to 1000 Kwh per year by fiscal 2012. As Indian Economy continues to grow, it is expected that India's energy consumption will grow as well.
- The Govt. of India has ambitious mission of power for all by 2012. This mission would require that the installed generation capacity should be atleast 200,000 MW by 2012. Power requirements would double by 2020 to 4,00,000 MW.
- According to CRISIL research estimates about Rs.7,50,000 crore is likely to be invested in the power sector by 2013-14. Of this Rs.4,80,000 crore is expected to be invested in power generation space. Nearly half of the investments in the power generation space is likely to be made by the private sector. Along with generation this has opened up opportunities in transmission sector as well.

Threats

- India has historically failed to meet its power sector targets by a significant margin and has tremendous opportunities ahead. The power sector continues to be affected by a shortfall both on generation as well as on transmission side.
- Supply constraints for domestic coal remain and is expected to continue going forward. Consequently public and private sector entities have embarked upon imported coal as a means to bridge their deficit. This has lead to some Indian entities to take up task of purchasing, developing and operating coal mines in International geographies.
- Shortages/delays in supply of core components such as boilers, turbines and generators. There has been lack of adequate supply of balance of plant equipment and shortage of construction equipments, as well.
- Power plants and utilities face major constraints and delays regarding the availability of land and obtaining the requisite environment and other clearances for the projects.
- Considering high financial stake involved through private investments, financing such large projects is a critical constraint.
- The flow of talent into construction and power sector has been gradually drying up as candidates have sought an alternative and often more lucrative career opportunities.

- vii) Electricity losses in India during transmission and distribution are extremely high. Theft of electricity in most parts of India is a matter of concern.

Segment-wise or product-wise performance

The Company is primarily engaged in generating Power and thus has only one segment.

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 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 thermal power projects being undertaken by the Company. 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 control, the internal audit function has also been set up by a firm of Chartered Accountant(s) 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(s) 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 the 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, 2011, the Company has a total workforce of 1104 persons, including managers, staff and workers (inclusive of employees of erstwhile JKHCL & BPSCCL).

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

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 continue to be cordial.

Cautionary Statement

Statement in the Management Discussion & Analysis Report detailing the Companies 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 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, Financial Sector 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

We have audited the attached Balance Sheet of JAIPRAKASH POWER VENTURES LIMITED as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. We have not audited the financial statements of the transferor amalgamating company viz. Jaypee Karcham Hydro Corporation Limited for the year then ended as these financial statements and other financial information have been audited by the erstwhile auditors of the said company and whose separate reports have been furnished to us, and our report is based solely on the reports of those auditor. 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(4A) 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is

disqualified as on 31st March, 2011 from being appointed as a director 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, 2011.
 - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended 31st March, 2011.
 - iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended 31st March, 2011.

For **R. NAGPAL ASSOCIATES**
Chartered Accountants
Firm Regn No.002626N

Place : Noida
Dated : 11th August 2011

(CA R. NAGPAL)
Partner
M.No. 81594

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, 2011 of JAIPRAKASH POWER VENTURES 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 1999-2000, 2001 to 2003, 2005-06, 2006-07 and 2007-08	With ITAT Mumbai	Rs. 16.30 Crores
Income Tax	AY 2007-08	With the Commissioner of Income Tax (Appeal)	Rs. 2.65 Crores
Diversion Tax and Land Cess	Since 1998-99	Tehsil - Rs. 1.56 Cr	Rs 1.56 Cr

- (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, 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) In our opinion and according to the information and explanations given to us, where the Company has created Share Capital Suspense Account for allotment of shares as per Scheme of Amalgamation approved by the Hon'ble High Court of Judicature at Shimla vide order passed on 25th July, 2011 and filed with the Registrar of Companies on 26th July, 2011, consideration paid subsequent to 31st March, 2011 to the shareholders of the amalgamating transferor companies is, in our opinion, not prejudicial to the interest of the company.
- (xix) According to the information and explanations given to us, the Company has created security/charge in respect of secured non-convertible debentures issued and outstanding at the year end.
- (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
Firm Regn No.002626N

Place : Noida
Dated : 11th August 2011

(CA R. NAGPAL)
Partner
M.No. 81594

BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in Lacs)

PARTICULARS	SCHEDULE	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A [I]	209,568	209,568
Share Capital Suspense	A [II]	52,908	–
Reserve & Surplus	B	254,590	128,213
DEFERRED REVENUE	C	31,302	23,397
LOAN FUNDS			
Secured Loans	D	1,111,373	411,158
Unsecured Loans	E	95,442	126,300
TOTAL SOURCES OF FUNDS		1,755,183	898,636
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	F	366,388	466,085
Less: Depreciation		58,974	59,459
Net Block		307,414	406,626
Capital Work in Progress		743,738	53,195
Preoperative Expenses of New Projects (Pending Capitalisation)	G	169,204	24,231
INVESTMENTS	H	360,630	142,096
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	I	1,753	841
Sundry Debtors		15,566	20,393
Cash & Bank Balances		202,424	240,879
Other Current Assets		7,476	9,250
Loans & Advances		29,927	14,998
		257,146	286,361
LESS: CURRENT LIABILITIES & PROVISIONS	J		
Current Liabilities		46,308	3,870
Provisions		36,641	10,003
		82,949	13,873
NET CURRENT ASSETS		174,197	272,488
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	K	–	–
TOTAL APPLICATION OF FUNDS		1,755,183	898,636

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
Firm Regn No. 002626N

Chairman

R. NAGPAL

Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida
Dated: 11th August, 2011

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

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in Lacs)

PARTICULARS	SCHEDULE	2010-11	2009-10
INCOME			
Sale of Electrical Energy (Net of advance against depreciation - see note 17 of the Schedule "Q")		70,977	65,942
Less: Rebate for prompt payments		1,109	981
Sale of Verified Emission Reduction (VERs)		3,821	4,112
Other Income	L	10,385	2,706
		84,074	71,779
EXPENDITURE			
Operation & Maintenance	M	2,688	3,067
Employees Remuneration & Benefits	N	2,434	2,155
Administration & other expenses	O	2,969	3,003
Interest & Financial Charges	P	44,844	23,643
Miscellaneous Expenditure Written Off		-	61
		52,935	31,929
Operating Profit		31,139	39,850
Depreciation		9,491	9,510
PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		21,648	30,340
Extra ordinary items:			
Less : Adjustment of Tariff for FY 04 to FY 08		1,002	-
PROFIT BEFORE TAX		20,646	30,340
Provision for Income Tax - Current Year		4,116	5,157
Provision for Income Tax - Earlier Years		21	27
Provision for Fringe Benefit Tax for earlier years reversed		(2)	-
Provision for Wealth Tax		-	1
		4,135	5,185
PROFIT AFTER TAX		16,511	25,155
Add : Profit brought forward from previous year		89,752	51,830
Add : Profit Transferred from Amalgamating Company		(286)	10,142
Add : Debenture Redemption Reserve Written Back		4,800	2,900
		94,266	64,872
PROFIT AVAILABLE FOR APPROPRIATION		110,777	90,027
APPROPRIATION:			
Debenture Redemption Reserve for the year		27,736	32
Reserve for Premium on Foreign Currency Convertible Bonds		1,846	243
		29,582	275
BALANCE CARRIED TO BALANCE SHEET		81,195	89,752
Basic Earning Per Share before Extraordinary Items (EPS), (in Rs.)		0.84	1.20
Diluted Earning Per Share before Extraordinary Items (EPS), (in Rs.)		0.67	1.19
Basic Earning Per Share after Extraordinary Items (EPS), (in Rs.)		0.79	1.20
Diluted Earning Per Share after Extraordinary Items (EPS), (in Rs.)		0.64	1.19

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

Q

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES

CHARTERED ACCOUNTANTS
Firm Regn No. 002626N

Manoj Gaur

Chairman

R. NAGPAL

Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida
Dated: 11th August, 2011

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

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

SCHEDULES TO BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised Capital		
830,00,00,000 Equity Shares of Rs. 10/- each (Previous year 390,00,00,000 Equity shares of Rs.10/- each)	830,000	390,000
[I] Issued & Subscribed		
209,56,80,200 Equity Shares of Rs.10/- each (Previous year 209,56,80,200 Equity shares of Rs.10/- each fully paid up) [160,46,79,600 Equity Shares (Previous year 160,46,79,600 Equity Shares) allotted as fully paid-up for consideration other than cash in terms of Scheme of Amalgamation effective from 14.12.2009] (Out of the above, 159,80,00,600 equity shares are held by Jaiprakash Associates Ltd.- the holding company.) (Previous year 159,80,00,600 equity shares of Rs. 10/- each)	209,568	209,568
[II] Share Capital Suspense		
52,90,76,923 Equity Shares of Rs. 10/- each fully paid up to be allotted pursuant to scheme of amalgamation, for consideration other than cash , effective from 26.07.2011. (Out of the above 18,50,00,000 equity shares will be held by Jaiprakash Associates Ltd.- the holding company.)	52,908	-
TOTAL	262,476	209,568
SCHEDULE 'B' : RESERVE AND SURPLUS		
General Reserve		
Opening Balance	4,785	1,785
Add : Transfer from Amalgamating Company	-	3,000
	4,785	4,785
Capital Reserve on Amalgamation		
Opening Balance	-	-
Add : On amalgamation of JKHCL & BPSCL	230,692	-
Less : Goodwill as at 01.04.2010 written off	96,281	-
	134,411	-
Debenture Redemption Reserve		
Opening Balance	4,832	4,800
Add : Provisions for the year	27,736	32
Add : Transfer from Amalgamating Company	-	2,900
Less : Transfer to Profit & Loss Account on Redemption	4,800	2,900
	27,768	4,832
Share Premium Account		
Opening Balance	28,601	-
Add : Transfer from Amalgamating Company	-	39,299
Less : Transfer to Provision for Premium on redemption of Debentures	24,259	-
Less : Goodwill Written off as per Scheme of earlier Amalgamation	-	10,698
	4,342	28,601
Reserve for Premium on Foreign Currency Convertible Bonds		
Opening Balance	243	-
Add : Provisions for the year	1,846	243
	2,089	243
Surplus		
As per Profit & Loss Account	81,195	89,752
TOTAL	254,590	128,213
SCHEDULE - 'C' :DEFERRED REVENUE		
Advance against depreciation		
Opening Balance	23,397	7,764
Add : Transfer from Amalgamating Company	-	8,103
Add : For the year	7,905	7,905
Less : Adjustment of Tariff for FY 04 to FY 08	-	375
	31,302	23,397
TOTAL	31,302	23,397

Rs. in Lacs)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'D' : SECURED LOANS		
(Refer Note 3 to 6 of Schedule Q for Description, Security & Repayments)		
DEBENTURES		
Redeemable Non-Convertible Debentures	198,257	116,488
TERM LOANS FROM		
Financial Institutions	151,790	88,783
Banks	742,882	187,283
	894,672	276,066
FOREIGN CURRENCY LOANS		
Financial Institutions	8,992	10,592
Buyers' Credit	6,412	8,012
	15,404	18,604
WORKING CAPITAL		
Banks	3,040	—
TOTAL	1,111,373	411,158
SCHEDULE 'E' : UNSECURED LOANS		
Foreign Currency Convertible Bonds (Refer Note 8 of Schedule Q)	89,400	90,300
Short Term Loans from Banks (Repayable within one year)	5,042	35,000
From Govt. of Uttarakhand (Non Interest Bearing)	1,000	1,000
TOTAL	95,442	126,300

SCHEDULE 'F'
FIXED ASSETS

(Rs. in Lacs)

S. No.	Particulars	Gross Block					Depreciation					Net Block	
		As at 1.4.2010	Assets Acquired on Amalgamation	Additions during the Year	Sale / Transfer During the Year	As at 31.03.2011	Upto 31.03.2010	On Assets Acquired on Amalgamation	For the Year	Sale/ Transfer During the Year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	GOODWILL	106,979	—	—	106,979	—	10,698	—	—	10,698	—	—	96,281
2	LAND												
	Lease hold Land	988	1,845	220	—	3,053	135	—	582	—	717	2,336	853
	Freehold Land	2,894	3,039	307	—	6,240	—	—	—	—	6,240	2,894	
3	BUILDINGS, ROADS & BRIDGES	18,057	—	247	—	18,304	1,301	—	297	—	1,598	16,706	16,756
4	HYDRAULIC WORKS	156,003	—	—	—	156,003	19,389	—	4,228	—	23,617	132,386	136,614
5	TRANSMISSION LINE	23,793	—	—	—	23,793	4,374	—	645	—	5,019	18,774	19,419
6	PLANT AND MACHINERY	156,328	103	704	129*	157,006	22,995	3	4,314	—	27,312	129,694	133,333
7	FURNITURE & FIXTURES	168	11	71	—	250	69	—	20	—	89	161	99
8	OFFICE EQUIPMENT	252	205	234	—	691	76	8	46	—	130	561	176
9	VEHICLES	351	189	250	14	776	150	24	50	4	220	556	201
10	CAPITAL EXPENDITURE ON ASSETS NOT OWNED BY THE COMPANY	269	—	—	—	269	269	—	—	—	269	—	—
11	INTANGIBLE ASSETS	3	—	—	—	3	3	—	—	—	3	—	—
	TOTAL	466,085	5,392	2,033	107,122	366,388	59,459	35	10,182	10,702	58,974	307,414	406,626
	PREVIOUS YEAR 31.03.2010	184,813	277,597	6,318	2,643	466,085	26,402	12,827	20,242	12	59,459	406,626	
	CAPITAL WORK IN PROGRESS											743,738	53,195

Note :

- Depreciation on Assets of Projects under implementation amounting to Rs. 690.96 Lac (Previous Year Rs. 33.49 Lac) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.
- Goodwill created on amalgamation has been written off through Amalgamation Reserve as per scheme of amalgamation effective from 26.07.2011.
- Amount mentioned at * Rs. 129 Lacs is on account of exchange fluctuation profit / (loss) on the valuation of Foreign Currency Loans taken for purchase of Plant & Machinery at the exchange rate prevailing on the date of Balance Sheet.

SCHEDULE 'G'

PRE-OPERATIVE EXPENSES OF NEW PROJECTS- PENDING CAPITALISATION

(Rs. In Lacs)

PARTICULARS	Existing Projects	From Amalgamating Companies	As at 31.03.2011	As at 31.03.2010
Opening Balance as on 01.04.2010	24,231	-	24,231	-
Balance Transferred from the Amalgamating Company	-	79,011	79,011	5,724
Advertisement & Publicity	34	18	52	116
Bidding Expenses	5	-	5	11
Bank Charges and BG Commission	34	121	155	-
Compensation for Forest Clearance, Land, Trees & Buildings	296	39	335	165
Catchment area treatment plan	-	474	474	-
Depreciation	94	597	691	33
Directors' Remuneration & Benefits	-	243	243	70
Directors' Sitting Fee	-	11	11	8
Employee Remuneration & Benefits	390	1,205	1,595	257
Gratuity	5	22	27	-
Local Area Development & Environmental Management	-	-	-	-
Plan Monitoring Cost	-	568	568	-
Finance Charges	1,732	964	2,696	7,953
Freight & Octroi Charges	196	437	633	3
Insurance	503	1,170	1,673	16
Interest on Term Loan	7,219	51,603	58,822	9,328
Internal Auditors' Fees	-	4	4	-
Rent	73	60	133	16
Legal and Professional Expenses	670	1,408	2,078	931
Licence & Application Fees	-	7	7	-
Miscellaneous Expenses	13	104	117	18
Overhead Line Connection Charges	50	-	50	42
Postage & Courier Expenses	1	1	2	1
Power Water & Electricity Charges	185	9	194	3
Printing & Stationery Expenses	6	7	13	5
Provident Fund, ESI & Admin Charges	19	68	87	18
Royalty Paid	-	14	14	-
Rehabilitation & Resettlement Expenses	187	-	187	39
Rates & Taxes	15	5	20	19
Repair & Maintenance	-	-	-	1
Security Trusteeship Fee	-	-	-	12
Security & Medical Charges	-	115	115	-
Site Development Expenses	278	-	278	125
Staff Welfare Expenses	78	4	82	33
Stores & Spares Consumed	-	-	-	236
Telephone Expenses	11	9	20	9
Travelling & Conveyance	97	158	255	80
Vehicle Running & Maintenance	75	11	86	36
Auditor's Remuneration	-	-	-	-
- Audit Fees	-	11	11	-
- Reimbursement of Expenses	-	-	-	-
TOTAL	36,497	138,478	174,975	25,308
Less:				
- Transferred to Jaypee Meghalaya Power Ltd. (Wholly owned subsidiary)	360	-	360	-
- Transferred to Land Account	-	-	-	250
- Transferred to Advance for Water Cess	-	-	-	39
- Interest Received (TDS Rs. 1,49,03,440/-)	1,874	1,256	3,130	168
- Foreign Exchange Variation	1,761	-	1,761	241
- Excess provision (Previous Years) written back	67	454	521	436
Add:				
- Income Tax on Interest Received	-	-	-	57
- Wealth Tax	-	1	1	-
NET EXPENDITURE CARRIED TO BALANCE SHEET	32,435	136,769	169,204	24,231

(Rs. In Lacs)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'H'		
INVESTMENTS (AT COST)		
(A) Investment in Subsidiary Companies		
Un-Quoted		
i) 18,50,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Powergrid Limited (Previous year 12,95,00,000 Equity Shares)	18,500	12,950
ii) 20,00,00,000 equity shares of Rs.10/- each fully paid up of Jaypee Arunachal Power Limited (Previous year 16,25,00,000 Equity Shares)	20,000	16,250
iii) Nil equity shares of Rs.10/-each fully paid up of Bina Power Supply Co. Ltd. (Previous year 22,41,58,550 Equity Shares)	-	29,910
iv) 50,91,89,800 equity shares of Rs.10/- each fully paid up of Prayagraj Power Generation Company Limited (Previous year 24,31,89,800 Equity Shares)	50,929	24,329
v) 55,19,77,200 equity shares of Rs.10/- each fully paid up of Sangam Power Generation Company Limited (Previous year 15,19,77,200 Equity Shares)	55,207	15,207
vi) Nil equity shares of Rs.10/- each fully paid up of Jaypee Karcham Hydro Corporation Ltd. (Previous year Associate Company) (Previous year 40,00,00,000 Equity Shares)	-	40,000
vii) 50,000 equity shares of Rs.10/- each fully paid up of Jaypee Meghalaya Power Limited (Previous Year - Nil)	5	-
(B) Investment in JPVL Trust (Refer Note No. 2 — below)	198,594	-
(C) Share Application Money (Subsidiary Company)		
Jaypee Powergrid Limited	-	3,450
Prayagraj Power Generation Company Limited	16,900	-
Jaypee Meghalaya Power Limited	495	-
TOTAL	360,630	142,096

Note :

- Aggregate cost of :
Quoted Investments (Market Value Nil)
(See Note No. 2) 198,594
Previous Year (Rs. Nil)
Unquoted (Previous year Rs. 1,42,096 Lacs) 162,036
- Trust have been created on 03.06.2011 for transfer of
(i) Shares of Bina Power Supply Company Limited held by the Company - No. of shares 12,70,76,923 shares (Converted)
(ii) Shares of Jaypee Karcham Hydro Corporation Limited held by the Company - No. of shares 21,70,00,000 shares (Converted)
(iii) The JPVL Trust is holding shares of Jaiprakash Power Ventures Limited on merger of JKHCL & BPSCL, the sole beneficiary of which is the company.
- All Investments are Non-trade, Long Term Investments

(Rs. In Lacs)

PARTICULARS	As at 31.03.2011		As at 31.03.2010	
SCHEDULE 'I' : CURRENT ASSETS, LOANS AND ADVANCES				
CURRENT ASSETS				
Inventories				
(As per Inventory taken, valued and certified by Management)				
Stores & Spares		1,753		841
Sundry Debtors (Considered Good)				
Due for a period exceeding six months	5,262		9,944	
Other Debts	<u>10,304</u>	15,566	<u>10,449</u>	20,393
Cash and Bank Balances				
Cash In hand	50		7	
Balances with Scheduled Banks				
(i) In Current Account	29,670		15,461	
ii) In Fixed Deposits	129,549		210,297	
(Pledged with Govt. Deptt./Banks Rs. 55,97,84,334/- Previous year Rs. 1,52,52,916/-)				
(iii) Trust & Retention Account				
(i) In Current Account	18,320		241	
(ii) In Fixed Deposits	24,642		14,678	
(iv) In Unpaid Dividend account	<u>193</u>	202,424	<u>195</u>	240,879
Other Current Assests				
a) Interest receivable from HPSEB	1,588		3,694	
b) Interest accrued on FDR with Banks	1,461		244	
c) Deferred Receivable	<u>4,427</u>	7,476	<u>5,312</u>	9,250
A		227,219		271,363
Loans and Advances				
(Unsecured, considered Good)				
Advances recoverable in cash or in kind or for value to be received.		7,798		871
Staff Imprest & Advances		21		15
Prepaid Expenses		8,473		3,899
Security Deposits – with Govt. Deptts., Public bodies	471		14	
– others	<u>103</u>	574	<u>127</u>	141
Advance Tax & Tax Deducted at Source		13,061		10,072
B		29,927		14,998
TOTAL (A + B)		257,146		286,361
SCHEDULE 'J' : CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors				
– Due to Micro, Small Scale, Medium Scale Enterprises	–		–	
– Others	<u>41,906</u>	41,906	<u>1,396</u>	1,396
Due to Staff		240		69
Due to Directors		1		3
Other Liabilities		1,729		815
Interest Accrued but not Due on loans		2,239		1,392
Investors' Education & Protection Fund: (Appropriate amount shall be transferred to Investors' Education & Protection Fund, if and when due)				
– Unclaimed Dividend		193		195
A		46,308		3,870
PROVISIONS				
Income Tax		12,131		9,782
Wealth Tax		3		2
Fringe Benefit Tax		7		14
Provident fund		23		14
Bonus & Incentive		62		50
Gratuity		1		29
Leave Encashment		155		112
Premium on Redemption of Debenture		<u>24,259</u>		–
B		36,641		10,003
TOTAL (A + B)		82,949		13,873

(Rs. In Lacs)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'K' : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary & Share issue Expenses (Transfer from Amalgamating Company)	-	58
Less: Written Off	-	58
Deferred Revenue Expenditure (Transfer from Amalgamating Company)	-	3
Less: Written Off	-	3
TOTAL	-	-
PARTICULARS	2010-11	2009-10
SCHEDULE- 'L' : OTHER INCOME		
Interest on deposits with banks (TDS Rs. 9,01,57,367/- Previous Year Rs. 1,49,92,507/-)	8,724	1,193
Interest on Arrears	1,363	1,466
Dividend received on Mutual Fund	45	-
Others (including sale of scrap and sundry balances written back)	253	47
TOTAL	10,385	2,706
SCHEDULE- 'M' : OPERATION & MAINTENANCE (O & M)		
Stores & Spares consumed	368	299
Repairs to Building	103	96
Repairs to Machinery	1,644	2,067
Repairs to Barrage	10	2
O & M Expenses	158	214
Insurance	405	389
TOTAL	2,688	3,067
SHCHEDULE- 'N' : EMPLOYEES' REMUNERATION & BENEFITS		
Employees Remuneration & Benefits	1,995	1,662
Contribution to Provident and other funds	90	88
Workmen & Staff Welfare Expenses	145	151
Gratuity	42	32
Leave Encashment	-	54
Directors' Remuneration	162	168
TOTAL	2,434	2,155
SCHEDULE- 'O' : ADMINISTRATION & OTHER EXPENSES		
Advertisement	172	446
Consultancy, Legal & Professional Fee	1,549	1,452
Courier & Postage	83	95
Directors' Sitting Fee	20	36
Internal Auditors' Fee	11	5
Lease Rent	56	56
Listing & Custodial Fee	63	43
Miscellaneous Expenses	159	140
Power & fuel	330	332
Printing & Stationery	88	70
Rent	44	61
Taxes & Fees	75	11
Telephone and Telex	14	12
Travelling & Conveyance	209	171
Vehicle Running & Maintenance	61	48
Auditor's Remuneration		
For Audit	28	22
For Tax Audit	4	3
For Other Services	3	-
Re-imburement of Expenses	-	25
TOTAL	2,969	3,003

(Rs. In Lacs)

PARTICULARS	2010-11	2009-10
SCHEDULE- 'P' : INTEREST & FINANCIAL CHARGES		
Interest		
Debentures	220	2,407
Term Loans	40,315	18,993
Working Capital	482	675
Financial charges		
DPG Commission	133	172
Front end fee and other charges	3,668	1,374
Security & Trusteeship Fee	26	22
TOTAL	44,844	23,643

SCHEDULE 'Q' – ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

[A] 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 up to 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 Corporate 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 Corporate 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 up to 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 up to 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, 'Amalgamation Reserve' being created on merger of Bina Power Supply Company Limited and Jaypee Karcham Hydro Corporation Limited with the Company Jaiprakash Power Ventures Limited, will be utilized for writing off the Goodwill arised on previous amalgamation and outstanding in the books as on 1st April, 2010.

p) Premium on Redemption of Debentures

Premium paid/payable on Redemption of Debentures are adjusted against Share Premium Account.

(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] NOTES TO ACCOUNTS

1. Amalgamation

Pursuant to the Scheme of Amalgamation ["the Scheme"] U/s 391/394 of the Companies Act, 1956, the erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) and Bina Power Supply Company Limited (BPSCL) (Amalgamating Companies) stand merged with Jaiprakash Power Ventures Limited (Amalgamated Company) w.e.f 01.04.2010 ["the Appointed date"] in terms of the Order dated 25.07.2011 of Hon'ble High Court of Himachal Pradesh at Shimla sanctioning the Scheme and is effective from 26.07.2011. The Amalgamating Companies are in Power generation business. JKHCL is setting up 1000 MW Hydro-electric Power Project and BPSCL is setting up 1250 MW Thermal Power Project. The Amalgamated Company is engaged in generation of hydro-electric power (300 MW at Baspa HEP & 400 MW at Vishnuprayag HEP) and implementing 1320 MW Super Critical Thermal Power Project at Nigrie.

With effect from the Appointed date, all the business undertakings, assets, liabilities, rights and obligations of the Amalgamating Companies stood transferred to and vested in the Amalgamated Company in consideration for issue of one equity shares of Rs. 10/- each in the Amalgamated Company for every five equity share of Rs. 10/- each held in JKHCL (Amalgamating Company) and for issue of two equity shares of Rs. 10/- each in the Amalgamated Company for every thirteen equity share of Rs. 10/- each held in BPSCL (Amalgamating Company).

The Amalgamating Companies 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 Companies 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. 01.04.2010 as detailed hereunder:

(Amount in Rupees)

Particulars	Jaypee Karcham Hydro Corporation Limited	Bina Power Supply Company Limited
Assets		
Fixed Assets [including Capital Work-in-Progress]	37,61,57,94,958	5,87,46,01,773
Current Assets	2,78,36,33,039	18,07,30,462
Pre-Operative Expenses of New Projects (Pending Capitalisation)	6,51,16,59,415	1,38,93,98,499
Profit and Loss Account	2,00,94,680	85,04,599
Total	46,93,11,82,092	7,45,32,35,333
Liabilities		
Current Liabilities	4,91,84,52,079	89,45,81,248
Secured Loans	28,76,27,30,013	4,31,70,68,585
Total	33,68,11,82,092	5,21,16,49,833
Net Assets over Liabilities	13,25,00,00,000	2,24,15,85,500
Represented by Number of Equity Shares of Rs. 10/- each	1,32,50,00,000	22,41,58,550
Consideration		
Number of Equity Shares of Rs. 10/- each [to be allotted] by the Transferee Company	26,50,00,000	3,44,85,931
Addition to Equity Share Capital (a) Rs.	2,65,00,00,000	34,48,59,310
Balance credited to Capital Reserve for Amalgamation. (b) Rs.	10,60,00,00,000	1,89,67,26,190
Pursuant to sanction of Scheme of Amalgamation		
Company (JPVL) to issue further share capital against the shares allotted by the transferor companies (JKHCL & BPSCCL) during the year 2010-11		
Share Capital issued by transferor companies Rs.	6,85,00,00,000	6,01,84,14,500
No. of Equity Shares allotted by transferor companies for the year 2010-11	68,50,00,000	60,18,41,450
No. of Equity Shares to be allotted by transferee company	13,70,00,000	9,25,90,992
Addition to Equity Share Capital (c) Rs.	1,37,00,00,000	92,59,09,920
Balance carried to Capital Reserve for Amalgamation (d) Rs.	5,48,00,00,000	5,09,25,04,580
Total addition to Equity Share Capital (a+c) Rs.	4,02,00,00,000	1,27,07,69,230
Total Amount Credited to Capital Reserve on Amalgamation (b+d) Rs.	16,08,00,00,000	6,98,92,30,770

In view of aforesaid amalgamations with effect from 01.04.2010, the figures for the current year are not comparable with those of the previous year.

2. Contingent Liabilities:

Particulars	(Amount in Rs.)
(i) Outstanding amount of Letter of Credit (Previous Year Rs. 98,74,476/-)	1,23,31,33,810
Margin Money against above (Previous Year Rs. 1,37,16,821/-)	1,90,68,000
(ii) Outstanding amount of Bank Guarantee (Previous Year Rs. 62,11,99,000/-)	1,16,29,54,540
Margin Money against above (Previous Year Rs. 15,36,095/-)	1,98,73,549
(iii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) (Previous Year INR 1,91,257.61 Lac, USD 586.31 Lac, Euro 219.62 Lac, JPY 2,30,530.43 Lac)	INR 3,12,033.31 Lac USD 771.42 Lac Euro 219.45 Lac JPY 1,24,498.82 Lac CD 1.41 Lac
(iv) Claims against the company not acknowledged as debts. (Previous Year Rs. 2,93,35,073/-)	1,91,12,889
(v) Income tax matters under appeal (Previous Year Nil)	18,95,23,051
(vi) The Government of Himachal Pradesh has imposed entry tax on the goods entering the state of Himachal Pradesh. This was challenged by the Company before the Hon'ble High Court of Himachal Pradesh at Shimla. The Hon'ble High Court passed an interim order that tax paid by the petitioner would be treated as deposit and not as tax payment. The final decision of Hon'ble High Court is awaited. The total liability as at 31st March, 2011 is Rs. 27,14,69,392/- (Previous year Rs. Nil), against which Company has deposited Rs. 13,75,24,925/-.	

3. Security for Term Loans and Non-Convertible Debentures

3.1 300 MW BASPA-II HEP :

3.1 (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, cost, expenses and other monies stipulated in the Loan Agreements/Deferred Payment Guarantee Agreement are secured ranking pari passu among all the participating Institutions and Banks viz State Bank of India, Andhra Bank, Punjab National Bank, UCO Bank, Oriental Bank of Commerce, Allahabad Bank, United Bank of India, IDBI Bank Ltd, IFCI Ltd, and Power Finance Corporation, by

- First Charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature, present & future of the Baspa II HEP.
- First charge on all the Accounts of the Baspa II HEP including but not limited to the Trust & Retention Account, Escrow Account of HPSEB and Debt Service Reserve Account and other accounts required to be created under any Project Document or contract.

The loans are inter-alia collaterally secured by;

- First charge on Baspa II 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) First ranking equitable mortgage on all rights, titles, interests and benefits in respect of immovable properties, and assets of the Baspa II HEP.

3.1 (b) The Foreign Currency Loans under Buyers' Credit are guaranteed by Deferred Payment Guarantee issued by Power Finance Corporation Limited.

3.2 400 MW Vishnuprayag HEP :

Rupee Term Loans, Foreign Currency Loans and Working Capital Facilities from Financial Institutions and Banks, together with all interest, guarantee commission, cost, expenses and other monies stipulated in the Loan Agreements are secured ranking pari passu among all the participating Institutions and Banks viz. State Bank of India, Andhra Bank, State Bank of Bikaner & Jaipur, State Bank of Patiala, State Bank of Travancore, Bank of India, Oriental Bank of Commerce, Allahabad Bank, Dena Bank, IDBI Bank Ltd, ICICI Bank Ltd and Power Finance Corporation.

- (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 loans are inter-alia collaterally 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) First ranking equitable mortgage on all rights, titles, interests and benefits in respect of immovable properties and assets of the 400 MW Vishnuprayag HEP.

3.3 1320 MW Jaypee Nigrie Super Thermal Power Project :

Financial Assistance of Rs.401.20 Crores (Previous year NIL) availed out of amount of Rs.5670 crores sanctioned by consortium of Financial Institutions and Banks viz. Bank of Baroda, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank of India, ICICI Bank Limited, IDBI Bank Limited, IDFC Bank Limited, Indian Overseas Bank, Life Insurance Corporation of India, Oriental Bank of Commerce, Punjab National Bank, State Bank of Bikaner & Jaipur, State Bank of Patiala, State Bank of Hyderabad, Syndicate Bank, UCO Bank, United Bank of India, with all interest, cost and other charges/ dues are secured by:

- (i) First ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to the Jaypee Nigrie Super Thermal Power Project.
- (ii) Pledge of 62.91 Crores (approx 30% of paid-up equity) shares of the Company held by JAL on pari-passu basis with lenders of Baspa – II HEP and Vishnuprayag HEP.
- (iii) Bank Guarantee of Rs.75.65 Crores (Previous Year- Rs.62.04 Crores) by IDBI Bank Limited for Jaypee Nigrie Super Thermal Power Project is having a subservient charge by way of hypothecation on the movable assets of the Nigrie Project. Bank Guarantee facility is also secured by personal guarantee of Shri Manoj Gaur, Chairman of the Company.

3.4 500 MW Bina Thermal Power Project :

Financial Assistance of Rs. 1166.68 Crores (Previous Year Rs. 431.71 Crores) from consortium of Financial Institutions and Banks with all interest, cost and other charges/dues are secured by:

- (i) First ranking pari-passu mortgage and hypothecation of all immovable and movables assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to Bina Thermal Power Project.
- (ii) Pledge of 42,12,60,000 (Previous Year-11,43,20,861) equity shares of erstwhile BPSCL held by Jaiprakash Power Ventures Ltd. (JPVL) (earlier the holding company), on pari-passu basis. Consequent to amalgamation of BPSCL with JPVL, the pledge of shares would get changed as might be approved by lenders.
- (iii) The aforesaid Security rank pari-passu with Bridge Loan Facility and working capital lenders. Bridge Loan is Nil (Previous Year - Rs. 20.29 Crs.) and Bank Guarantee Rs. 32.35 Crs.(Previous Year - Rs. 27.78 Crs).

3.5 1000 MW Karcham Wangtoo HEP :

The financial assistance disbursed/to be disbursed by financial institutions and banks by way of Rupee Term Loans together with all interest, cost and other charges/dues are secured by:

- (i) legal mortgage created in English Form on immovable property at Vadgaon, Taluka Mawal, District Pune, Maharashtra in favour of the security trustee.
- (ii) First ranking pari-passu mortgage and hypothecation of all the immovable and movables assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to Karcham Wangtoo Project. Charge on all licences, permits, approvals, assignments, concessions, and consents in connection with the Project, charge on all the Company's Accounts except Distribution Account on which there shall be a floating charge which would get converted into a fixed charge in case of any default.
- (iii) Pledge of 32,55,00,000 (Previous Year-12,00,00,000) number equity shares in Jaypee Karcham Hydro Corporation Limited (earlier Subsidiary Company) held by Jaiprakash Power Ventures Ltd. (earlier the Holding Company) and pledge of 27,75,00,000 (Previous Year - 27,75,00,000) number Equity Shares in Jaypee Karcham Hydro Corporation Limited (earlier Subsidiary Company) held by Jaiprakash Associates Limited as on 31.03.2011 with the lenders. Consequent to amalgamation of JKHCL with JPVL, the pledge of shares would get changed as might be approved by lenders.

3.6 (a) Rupee Term Loans, Foreign Currency Loans, of Baspa II HEP, Vishnuprayag HEP and Nigrie STPP from Financial Institutions and Banks, together with all interest, guarantee commission, cost, expenses and other monies stipulated in the Loan Agreements are inter-alia secured ranking pari passu by pledge of 62.91 Crore (Sixty Two Crore Ninety One Lakh) equity shares of Rs. 10/- each, of the Company held by Jaiprakash Associates Ltd, to be shared on pari-passu basis with the lenders of the Baspa II HEP, Vishnuprayag HEP and Nigrie Project.

- (b) 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) and first charge on the designated bank account together with all the monies therein (ii) pledge of 45.46 Crore Equity shares of Rs. 10/- each fully paid up of the Company held by JAL.

3.7 The Non-Convertible Debentures Series I of Rs. 999.98 Crore and series II of Rs. 982.59 Crores subscribed by ICICI Bank Limited are secured by :

- (i) Residual charge on the entire fixed assets of the Company.
- (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 the Holding Company.

4. Security for Working Capital Loan

4(a) 300 MW BASPA-II HEP : The working capital facilities sanctioned by Punjab National Bank- Shimla are inter - alia secured by security mentioned in 3.1(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.

4(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.

5. Repayment of Term Loans and Non-Convertible Debentures

5.1 300 MW BASPA-II HEP :

All Rupee Term Loans are repayable in 56 installments payable in July, August, September and October each year commencing from July 2010, 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	Repayment in 54 Equal Installments in July, August, September and October each year w.e.f September, 2010
IDBI FCL	Repayment in 40 Equal Installments in June, September, December and March each year w.e.f September, 2004

5.2 400 MW Vishnuprayag HEP :

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.

5.3 1320 MW Jaypee Nigrie Super Thermal Power Project :

All Rupee Term Loans sanctioned by Bank of Baroda, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank of India, ICICI Bank Limited ,IDBI Bank Limited, IDFC Bank Limited, Indian Overseas Bank, Life Insurance Corporation of India, Oriental Bank of Commerce ,Punjab National Bank, State Bank of Bikaner & Jaipur, State Bank of Patiala, State Bank of Hyderabad, Syndicate Bank, UCO Bank, United Bank of India, are repayable in 40 equal quarterly installments commencing from November, 2014.

5.4 1000 MW Karcham Wangtoo HEP :

All Rupee Term Loans are repayable in 75 equal installments payable in June, July, August, September & October each year commencing from 15th June, 2012 to 15th October, 2026.

5.5 500 MW Bina Thermal Power Project :

All Rupee Term Loans sanctioned by Allahabad Bank, Bank of Rajasthan, Canara Bank, Central Bank of India, Jammu & Kashmir Bank, Punjab National Bank, IDBI Bank Limited, State Bank of Patiala, State Bank of Hyderabad and Union Bank of India, 90% are repayable in 40 equal installments in March, June, September and December each year commencing from March, 2013 and balance 10% in 41st Installment payable on 1st March, 2023.

5.6 Other Loans :

5.6 (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.

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

Institution	Amount	Redemption
ICICI Bank	Rs. 999.98 Crore 14,049 Debentures issued at a Price of Rs. 7,11,780/- each. Redemption Price Rs.10,00,000/- each	Redemption value Rs. 1,404.90 Crore on 31.03.2013 in one installment.

ICICI Bank Rs. 982.59 Crore

Series	No of Debenture	Issue price Rs.	Redemption Date	Redemption Value Rs. Crore
A	36600	67140	31.12.2013	366
B	38700	63552	30.06.2014	387
C	41000	59946	31.12.2014	410
D	43200	56743	30.06.2015	432
Total	159500			1595

Redemption Price Rs. 1,00,000 each

6. Collateral Security

6(a) 300 MW BASPA-II HEP : Jaiprakash Associates Limited (JAL), the holding Company, has furnished Corporate Guarantees for the financial assistance outstanding as on 31.03.2011 amounting to Rs.127,86,97,966/- (Previous Year Rs.198,00,25,692/-) 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 3.6(a) herein above.

6(b) 400 MW Vishnuprayag HEP : JAL, the Holding Company has furnished Corporate Guarantees for financial assistance outstanding as on 31.03.2011 amounting to US\$ 1,92,62,500 and have also by way of pledge of shares of the Company held by JAL as given in para 3.6(a) herein above.

6(c) 1320 MW Jaypee Nigrie Super Thermal Power Project :

Pledge of 62.91 Crore shares of the Company held by JAL on pari-passu basis with lenders of Baspa – II HEP, Vishnuprayag HEP and Nigrie STPP as mentioned in para 3.6(a) herein above.

6(d) 1000 MW Karcham Wangtoo HEP :

Pledge of 32.55 Crore (Previous Year – 12.00 Crore) Equity Shares in Jaypee Karcham Hydro Corporation Limited (earlier Subsidiary Company) held by Jaiprakash Power Ventures Ltd. (earlier the Holding Company) and pledge of 27.75 Crore (Previous Year – 27.75 Crore) Equity Shares in Jaypee Karcham Hydro Corporation Limited (earlier

Subsidiary company) held by Jaiprakash Associates Limited as on 31.03.2011 with the lenders. Consequent to amalgamation of JKHCL with JPVL, the pledge of shares would get changed as might be approved by lenders.

6(e) 500 MW Bina Thermal Power Project :

Pledge of 42,12,60,000 (Previous Year – 11,43,20,861) number Equity Shares in Bina Power Supply Company Limited (earlier Subsidiary Company) held by Jaiprakash Power Ventures Limited (earlier the Holding Company) as on 31.03.2011 with the lenders. Consequent to amalgamation of BPSCL with JPVL, the pledge of shares would get changed as might be approved by lenders.

7. Unsecured Loans

Unsecured loan of Rs. 10 Crore is repayable to Government of Uttarakhand in the year 2011-12.

8. The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US\$ 1,00,000 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 financial year 2010-11.

Unless previously converted, the bonds are redeemable at maturity on 13.02.2015 representing a YTM of 7% p.a. inclusive of coupon rate of 5% p.a. [value as on 31.03.2011 in US\$ 1,02,263 (Previous Year 1,00,263) for a principal amount of US\$ 1,00,000]. A reserve aggregating to Rs.20,88,29,640 up to 31.03.2011 (Previous year 2,42,69,640/-) has been created for the redemption premium.

As on 31.03.2011 the Company has outstanding exposure of US\$ 200 Million against FCCB unhedged, pending conversion into equity share capital. (US\$ 10,34,09,991.91(hedged) is parked overseas pending utilization as on 31.03.2011).

9. Plant & Machinery includes a sum of Rs 64,67,14,114/- (Previous year Rs 64,67,14,114/-) 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.
10. 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.
11. The Trust and Retention Accounts (refer Schedule 'I') is maintained pursuant to the stipulations of the 'Financing Agreements' executed with the Lenders.
12. The Rupee value of Foreign Currency Loans has been considered at the bank TT selling rate as at 31.03.2011. Accordingly Exchange Fluctuation for the period 01.04.2010 to 31.03.2011 amounting to Rs.1890.30 Lacs has been credited to the cost of Plant and Machinery/Incidental expenditure during construction for projects under implementation.
13. Additional Information pursuant to the provisions of Paragraph 3 and 4 of Part-II of Schedule VI to the Companies Act, 1956.

13 (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

The Installed Annual Capacity of Projects under implementation viz Nigrie Super Thermal Power Plant, Bina Thermal Power Plant and Karcham Wangtoo HEP is 1320 MW, 500 MW and 1000 MW respectively)

Generation details & parameters

Particulars	2010-11			2009-10		
	Baspa-II	Vishnuprayag	Total	Baspa-II	Vishnuprayag	Total
Net Saleable Energy (MU)	1291.61	1757.26	3048.87	1139.03	1717.06	2856.09
Plant Availability %	98.92	98.84		99.83	98.96	

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

	2010-11 Rs.	2009-10 Rs.
Payment to Suppliers of Capital Equipments	3,69,35,042	2,67,73,45,545
Payment for supplies of spares	91,97,057	2,35,56,821

13 (c) Expenditure in Foreign Currency (Including expenditure during construction):

	2010-11 Rs.	2009-10 Rs.
Travelling (Directors)	21,40,481	55,32,007
Travelling (staff & others)	5,95,325	-
Interest & Bank Charges to Banks	47,21,04,551	3,06,17,914
Consultancy Fee	2,28,82,660	3,64,24,533
Advertisement	5,17,391	-
Finance Charges	71,140	18,45,22,048
Others	4,01,187	-

13 (d) Earnings in Foreign Exchange:

	2010-11 Rs.	2009-10 Rs.
Sale of Verified Emission Reductions (VERs)	382,100,981	41,11,52,131
FDR & Bank Interest	130,818,720	1,62,02,508

13 (e) Details of Stores & Spares Consumed :
(including for Machinery and O&M)

	2010-11		2009-10	
	Rs.	%	Rs.	%
(i) Indigenous	28,225,343	67%	6,11,17,865	73%
(ii) Imported	13,929,804	33%	2,25,30,632	27%

14. Managerial remuneration paid/payable to Managing Director/ Whole-time Directors (excluding Provisions for Gratuity and

Leave Encashment on retirement):

	2010-11 * Rs.	2009-10 Rs.
Salary	3,82,80,000	2,38,65,291
Provident Fund	28,47,000	17,89,897
Perquisites	80,00,649	69,75,882
Total	4,91,27,649	3,26,31,070

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

The remuneration paid to Directors for Projects under implementation has been shown in 'Incidental expenditure during construction'.

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):

(Amount in Rs.)

S.No.	Particulars	2010-11	2009-10
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 16 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 date 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. **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 and 23rd June, 2010 for F.Y. 09, 10 and 11 and has also trued up the Tariff for F.Y. 04 to 08 based on actual for the period. The Company has filed Appeals 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 and Rate of Interest on Arrears. Accordingly, the receivables to the extent of Rs. 76.98 Crore (Previous Year Rs. 56.07 Crore) from HPSEB in respect of review items are subject to final decision on the Application/Appeal and other legal remedies available to the Company.

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

18. Advance to Suppliers, Contractors and others shown under "Loan and Advances" in Schedule "D" includes Advance to Jaiprakash Associates Limited, the holding Company under EPC Contract Rs. 4016 Lacs (Previous Year Rs.23059 Lacs). Maximum amount outstanding during the Year Rs.24579 Lacs.

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:

- (1) Jaypee Powergrid Limited
- (2) Sangam Power Generation Company Limited
- (3) Prayagraj Power Generation Company Limited
- (4) Jaypee Arunachal Power Limited
- (5) Jaypee Meghalaya Power Limited (w.e.f. 26.08.2010)

(c) Fellow Subsidiary Companies:

- (1) Jaypee Ganga Infrastructure Corporation Limited
- (2) Himalayan Expressway Limited
- (3) Jaypee Infratech Limited
- (4) Jaypee Sports International Limited
- (5) Jaypee Cement Corporation Limited (w.e.f. 22.02.2011)
- (6) Bhilai Jaypee Cement Limited
- (7) Bokaro Jaypee Cement Limited
- (8) Gujarat Jaypee Cement & Infrastructure Limited
- (9) Jaypee Agra Vikas Limited
- (10) Jaypee Fertilizers & Industries Limited (w.e.f.03.06.2010)

(d) 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) Indesign Enterprises Pvt. Limited (subsidiary of Jaypee Ventures Private Limited)
- (6) Indus Hotels UK Limited (subsidiary of Indesign Enterprises Pvt. Limited)
- (7) GM Global Mineral Mining Private Limited (subsidiary of Indesign Enterprises Pvt. Limited) (w.e.f. 16.07.2010)
- (8) Ibonshourne Limited (subsidiary of Indesign Enterprises Pvt. Limited) (w.e.f. 13.10.2010)
- (9) Jaiprakash Agri Initiatives Company Limited (subsidiary of Jaypee Ventures Private Limited)
- (10) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Ventures Private Limited)
- (11) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- (12) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Private Limited)

- (13) Jaypee Uttar Bharat Vikas Pvt. Limited (w.e.f. 21.06.2010)
- (14) Kanpur Fertilisers and Cement limited (Subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited) (w.e.f. 26.09.2010)
- (15) RPJ Minerals Private Limited
- (16) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
- (17) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (18) Sonebhadra Minerals Private Limited
- (19) MP Jaypee Coal Limited
- (20) Madhya Pradesh Jaypee Minerals Limited
- (21) MP Jaypee Coal Fields Limited
- (22) Jaiprakash Kashmir Energy Limited
- (23) Jaypee Hotels Limited
- (24) Jaypee Mining Venture Private Limited
- (25) Ceekay Estate Private Limited
- (26) Pac Pharma Drugs and Chemicals Private Limited
- (27) Akasva Associates Private Limited
- (28) Sparton Growth Fund Private Limited
- (29) Jaypee Infra Ventures (A Private Company with unlimited liability)
- (30) Sunvin Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (31) Manumanik Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (32) Arman Estate Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (33) Suneha Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (34) Pee Gee Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (35) Vinamra Housing & Constructions Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (36) Vasujai Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (37) Samsun Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (38) Jaiprakash Exports Pvt. Ltd.
- (39) Bhumi Estate Developers Pvt. Ltd.
- (40) Jaypee Technical Consultants Pvt. Ltd.
- (41) Essjay Enterprises Pvt. Ltd.
- (42) Angad Growth Fund Pvt. Ltd.

(e) Key management Personnel:

Jaiprakash Power Ventures Limited

- (1) Shri Manoj Gaur, Chairman
- (2) Shri S.K. Sharma, Vice Chairman and CEO
- (3) Shri Suren Jain, Managing Director and CFO
- (4) Shri G.P. Gaur, Whole-time Director, (w.e.f. 01.02.2011)
- (5) Shri R.K. Narang, Whole-time Director,

- (6) Shri Suresh Chandra, Whole-time Director
- (7) Shri J.N. Gaur, Whole-time Director (Up to 30.09.2010)

Bina Power Supply Company Limited – Amalgamating company

- (1) Shri P. K. Jain, Whole-time Director
- (2) Shri V.K. Sriwastva, Whole-time Director

Jaypee Karcham Hydro Corporation Limited – Amalgamating company

- (1) Shri Dharam Paul Goyal, Managing Director
- (2) Shri Parveen Kumar Singh, Whole-time Director
- (3) Shri Ravindra Mohan Chadha, Whole-time 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	Referred in 1(e) above
Expenses					
Hiring Charges (Previous Year)	40,70,988 (23,94,451)	-	-	-	-
Rent (Previous Year)	40,32,000 (64,32,000)	-	-	-	-
Cement (Previous Year)	53,59,64,628 (-)	-	-	-	-
Other Expenses (Previous Year)	8,74,16,755 (8,97,42,668)	-	-	139,99,161 (2,57,37,264)	-
Salary & Perquisites (Previous Year)	-	-	-	-	4,91,27,649 (3,26,31,070)
Services Availed (Previous Year)	-	-	-	1,15,39,901 (1,05,07,517)	-
Execution of Work (Previous Year)	15,12,85,99,161 (10,48,18,953)	-	-	-	-
Outstandings – Payables					
Amount payable (Previous Year)	2,44,64,00,045 (1,82,10,239)	-	-	74,98,645 (2,02,673)	17,31,032 (3,00,880)
Outstandings - Receivables					
Amount receivable (Previous Year)	37,20,85,211 (1,00,00,000)	-	-	-	-
Investment in Subsidiaries					
Share Capital (including in Companies merged during the year) (Previous Year)	-	20,45,89,14,500 (4,74,85,61,910)	-	-	-
Share Application Money (Previous Year)	-	1,73,95,00,000 (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.)

Particulars	2010-11	2009-10
[a] Net Profit for Basic Earnings Per Share as per Profit & Loss Account	165,10,72,791	251,53,80,638
Adjustment for the purpose of Diluted Earnings Per Share	–	–
Net Profit for Diluted Earnings Per Share	165,10,72,791	251,53,80,638
[b] Weighted average number of equity shares for Earnings Per Share computation:		
[i] Number of Equity Shares at the beginning of the year	209,56,80,200	49,10,00,600
[ii] Number of Shares allotted/ to be allotted on amalgamation (Shares to be allotted as on 31.03.2011, kept in Share Capital Suspense)	52,90,76,923	160,46,79,600
[iii] Weighted average shares allotted/to be allotted during the year on Amalgamation	39,48,72,741	160,46,79,600
[iv] Number of potential Equity Shares	10,75,35,026	1,38,46,976
[v] Weighted average No. of Shares for calculating:		
[a] Basic Earnings Per Share	209,56,80,200	209,56,80,200
[b] Diluted Earnings Per Share	259,80,87,967	210,95,27,176
[c] Earnings Per Share		
[i] Basic	0.79	1.20
[ii] Diluted	0.64	1.19
[d] Face Value Per Share	10.00	10.00

21 (a) **Provident Fund - Defined Contribution Plan**

Employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account including Administrative and DLI charges Rs.90,16,424/- during the year (Previous Year Rs.87,66,633/-) and Rs. 86,86,230/- (Previous year 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 up to the close of each financial year to the Trust Fund.

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

Details of Gratuity and Leave encashment as per Accounting Standard-AS-15(Revised)

(Amount in Rs.)

Sl. No.	Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
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 2011.		
	1. Current Service Cost.	52,07,602 (25,95,021)	50,41,349 (32,59,211)
	2. Interest Cost	12,01,377 (6,23,081)	11,70,374 (3,71,090)
	3. Employee Contribution	– (–)	– (–)
	4. Actuarial (Gains)/Losses	12,49,589 (-3,10,428)	(52,24,112) 29,29,448
	5. Past Service Cost	– (–)	– (–)
	6. Settlement Cost	– (–)	– (–)
	7. Expected Return on Plan Assets	8,28,210 (–)	– (–)
	8. Total Expenses	68,30,358 (29,07,674)	9,87,611 (65,59,749)
II	Net Asset/ (Liability) recognized in the Balance Sheet as at 31st March, 2011.		
	1. Present Value of Defined Benefit Obligation.	2,05,55,398 (1,06,39,323)	1,55,25,313 (1,11,98,372)
	2. Fair Value of Plan Assets	2,04,28,978 (77,31,649)	– (–)
	3. Funded Status Surplus/(Deficit)	(1,26,420) (-29,07,674)	(1,55,25,313) (-1,11,98,372)
	4. Net Asset/(Liability) as at 31.03.2011.	(1,26,420) (-29,07,674)	(1,55,25,313) (-1,11,98,372)
III	Change in Obligation during the Year ended 31st March, 2011.		
	1. Present value of Defined Benefit Obligation at the beginning of the year.	1,50,17,212 (77,88,513)	1,46,29,667 (46,38,623)
	2. Current Service Cost.	52,07,602 (25,95,021)	50,41,349 (32,59,211)
	3. Interest Cost	12,01,377 (6,23,081)	11,70,374 (3,71,090)
	4. Settlement Cost	– (–)	– (–)
	5. Past Service Cost.	– (–)	– (–)
	6. Employee Contributions	– (–)	– (–)
	7. Actuarial Gains)/Losses	12,30,547 (2,83,541)	(52,24,112) (29,29,448)
	8. Benefit Payments	(21,01,340) (-83,751)	(91,965) (–)
	9. Present Value of Defined Benefit Obligation at the end of the year	2,05,55,398 (1,06,39,323)	1,55,25,313 (1,11,98,372)

(Amount in Rs.)

Sl. No.	Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
IV	Change in Assets during the Year ended 31st March, 2011.		
	1. Plan Assets at the beginning of the year.	92,02,334 (-)	- (-)
	2. Assets acquired on amalgamation in previous year.	- (-)	- (-)
	3. Settlements	- (-)	- (-)
	4. Expected return on Plan Assets	8,28,210 (26,887)	- (-)
	5. Contribution by Employer	1,25,18,816 (77,88,513)	- (-)
	6. Actual Benefit Paid	21,01,340 (83,751)	- (-)
	7. Actuarial Gains/ (Losses)	(19,042) (-)	- (-)
	8. Plan Assets at the end of the year.	2,04,28,978 (77,31,649)	- (-)
	9. Actual Return on Plan Assets	8,09,168 (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 5.5% (P.Y. 5.50%)
Increase

- 22 (a)** As per computation made by the Company, provision of Rs.4116 Lacs (Previous Year Rs. 5157 Lacs) towards Minimum Alternate Tax (MAT) as Tax payable under Section 115JB of Income Tax Act, 1961 has been made. The MAT paid by the Company for the year is allowed to be carried forward for a period up to next 10 years to be adjusted against the normal tax payable, if any, in those years.
- (b)** Provision for deferred tax has not been made as no deferred tax liability arises on account of Tax holiday period.
- (c)** Wealth Tax Liability of Rs. 1,62,120/- has been provided in Incidental Expenses Pending Capitalisation in respect of Project under Implementation.
- 23.** The erstwhile amalgamating company Jaypee Karcham Hydro Corporation Limited had executed a Power Purchase Agreement (PPA) for sale of 704 MW power, out of 1000 MW power from Karcham Wangtoo Project to Power Trading Corporation (India) Limited (PTC) on 21st March, 2006 for a term of 35 years with the stipulation that the tariff for sale of power shall be as approved by Central Electricity Regulatory Commission (CERC) based on the completion cost as approved by Central Electricity Authority (CEA)/Central Electricity Regulatory Commission. It was subsequently found that the Electricity Act, 2003 does not provide for the determination of tariff for sale of power by

a Generating Company to a Trading Company and therefore based on the legal opinion the said PPA was considered to be void and PTC was informed accordingly. The PTC had disputed the position taken by the Company and the dispute was referred to arbitration. The Arbitral Tribunal have pronounced the order on 28th April, 2011 by majority verdict in favour of the Company and held that the PPA executed with PTC was void. The PTC had also approached the Hon'ble High Court of Delhi for restraining the Company from entering into agreement for sale of aforesaid power to any third party which was rejected. The PTC then filed a SLP in the Hon'ble Supreme Court against the order of Hon'ble High Court, which is pending.

- 24.** Pursuant to the Memorandum of Understanding signed with Power Grid Corporation of India Limited (PGCIL), a Joint Venture Company in the name of 'Jaypee Powergrid Ltd.' (JPPGL) had been incorporated on 05.10.2006 by the Company for developing a Transmission System for the evacuation of power to be generated by the 1000 MW Karcham Wangtoo Hydro Electric Project in the State of Himachal Pradesh, to a suitable interconnection point. The Shareholders' Agreement had been signed with PGCIL on 22.02.2007 with 74% Equity Participation with a provision of minimum 51% Equity Participation by the Company and balance 23%, if required, by affiliates. The balance 26% Equity is to be contributed by PGCIL.
- 25 (a)** Particulars of Investments (non trade) made subsequent to the date of previous Balance Sheet:

(Amount in Rs.)

Sl No.	Name of Company	2010-11	2009-10
(a)	Investment in Share Capital		
	(i) 5,55,00,000 Equity Shares of Rs. 10/- each, fully paid up of Jaypee Powergrid Limited (Previous Year – 3,70,00,000)	55,50,00,000	37,00,00,000
	(ii) 3,75,00,000 Equity Shares of Rs. 10/- each, fully paid up of Jaypee Arunachal Power Limited. (Previous Year – 16,24,50,000)	37,50,00,000	162,45,00,000
	(iii) 26,60,00,000 Equity Shares of Rs. 10/- each, fully paid up of Prayagraj Power Generation Co. Ltd. (Previous Year – 24,31,89,800)	2,66,00,00,000	2,43,28,86,520
	(iv) 40,00,00,000 Equity Shares of Rs. 10/- each, fully paid up of Sangam Power Generation Co. Ltd. (Previous Year – 15,19,77,200)	4,00,00,00,000	1,52,06,75,390
	(v) 50,000 Equity Shares of Rs. 10/- each fully paid up of Jaypee Meghalaya Power Limited (Previous Year – Nil)	5,00,000	-
(b)	Investment in Share capital of earlier Subsidiary companies merged during the year		
	(i) 68,50,00,000 Equity Shares of Rs. 10/- each fully paid up of Jaypee Karcham Hydro Corporation Ltd. (Previous Year – 40,00,00,000)	6,85,00,00,000	4,00,00,00,000

(Amount in Rs.)

SI No.	Name of Company	2010-11	2009-10
(ii)	60,18,41,450 Equity Shares of Rs. 10/- each fully paid up of Bina Power Supply Company Limited (Previous Year – Nil) The Companies mentioned at b (i & ii) have been merged with Jaiprakash power Ventures Ltd. vide Order dated 25.07.2011 of Hon'ble High Court of Himachal Pradesh at Shimla sanctioning the Scheme of Amalgamation. The investments in share capital of these companies have been transferred to JPVL Trust.	601,84,14,500	–
(c)	Share Application Money		
(i)	Jaypee Powergrid Limited	–	34,50,00,000
(ii)	Prayagraj Power Generation Co. Ltd.	1,69,00,00,000	–
(iii)	Jaypee Meghalaya Power Limited	4,95,00,000	–

25 (b) Particulars of other current investments made subsequent to the date of previous Balance Sheet:

Name of Liquid Funds	Units	2010-11 Amount (Rs.)	Units	2009-10 Amount (Rs.)
Investment in LIC Income Plus Fund purchased and redeemed during the year	20,00,00,000	200,00,00,000	–	–
Total Investment redeemed for Rs. 200,00,00,000/- up to 31.03.2011.				

- 25 (c)** (i) 7,50,00,000 Equity Shares of Rs. 10/- each fully paid (Previous Year 5,25,00,000) held by the Company of Jaypee Powergrid Ltd. (Subsidiary Company) are pledged with IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Jaypee Powergrid Ltd.
- (ii) 32,55,00,000 Equity Shares of Rs.10/- each fully paid (Previous Year 12,00,00,000) held by the Company (earlier the Holding Company) of Jaypee Karcham Hydro Corporation Limited (earlier the Subsidiary Company) are pledged with IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Jaypee Karcham Hydro Corporation Limited. Consequent to amalgamation of JKHCL with JPVL, the pledge of shares would get changed as might be approved by lenders.
- (iii) 42,12,60,000 Equity Shares of Rs.10/- each fully paid (Previous Year 11,43,20,861) held by the Company (earlier the Holding Company) of Bina Power Supply Company Limited (earlier the Subsidiary Company) are pledged with IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Bina Power Supply Company Limited. Consequent to amalgamation of BPSCL with JPVL,

the pledge of shares would get changed as might be approved by lenders.

- (iv) 25,96,86,798 Equity Shares of Rs. 10/- each fully paid (previous year 1,18,62,300) held by the company of Prayagraj Power Generation Co. Ltd. (Subsidiary Company) are pledged with SBI Cap Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Prayagraj Power Generation Co. Ltd.

26. In terms of Scheme of Amalgamation as approved by the Hon'ble High Court of Himachal Pradesh at Shimla vide order dated 25.07.2011, the Company has decided to write off the balance lying in Goodwill of Rs.962.81Crore created out of earlier Amalgamation from 'Amalgamation Reserve' arising on merger of Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited with the Company. In previous year Goodwill was written off from Share Premium Account amounting to Rs.106.98 Crore.

27. Details of balances with Indian Banks in Foreign Countries (including Foreign Currency Convertible Bonds proceeds pending for utilization):

Name of Bank	Balance as on 31.03.2011	Amount of Maximum balance during the period	Balance as on 31.03.2010
1 State Bank of India, London in Current Account	US\$ 5,09,991.91	US\$ 29,26,449.43	US\$ 551.43
2 State Bank of India, London in Fixed Deposit Account	US \$ 10,29,00,000	US\$ 17,56,05,631.94	US\$ 1,75,546,000

28. The Company has presently one operative segment i.e. Generation of Power; hence, separate segment reporting is not applicable.

29. 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.

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

31. Previous Year's figures have been regrouped/re-arranged wherever considered necessary to make them conform to the figures for the year.

Signature to Schedules "A to Q"

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 002626N

Manoj Gaur
Chairman

R. NAGPAL
Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director
& CFO

Sunil Kumar Sharma
Vice Chairman
& CEO

Place: Noida

R.K. Porwal

M.M. Sibbal

Dated: 11th August, 2011 Sr. General Manager (F & A)

Sr. General Manager &
Company Secretary

**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	31.03.2011		
II	Capital raised during the period (Amount in Rs.Lacs)			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	52,908
			(On Account of Merger)	
III	Position of Mobilisation and Deployment of Funds			(Rs.in Lacs)
				As at 31.03.2011
	Total Liabilities			1,838,132
	Total Assets			1,838,132
	Sources of Funds			
	Paid-up Capital			262,476
	Reserve & Surplus			254,590
	Deferred Revenue			31,302
	Secured Loans			1,111,373
	Unsecured Loans			95,442
				<hr/> 1,755,183
	Application of Funds			
	Net Fixed Assets (including CWIP)			1,051,152
	Preoperative Expenses of New Projects (Pending Capitalisation)			169,204
	Investments			360,630
	Net Current Assets			174,197
	Miscellaneous Expenditure			-
	Accumulated Losses			-
				<hr/> 1,755,183
IV	Performance of Company			
	Turnover			84,074
	Extra ordinary items			(1,002)
	Total Expenditure			62,426
	Profit/(Loss) Before Tax			20,646
	Profit/(Loss) After Tax			16,511
	Earnings Per Share in Rs.			0.79
	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
Firm Regn No. 002626N

R. NAGPAL

Partner
M.No. 81594

Place: Noida
Dated: 11th August, 2011

R.K. Narang
Director

Suren Jain
Managing Director & CFO

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

Sunil Kumar Sharma
Vice Chairman & CEO

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in lacs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	01.04.2010 TO 31.03.2011		01.04.2009 TO 31.03.2010	
A. Cash flow from operating activities				
Profit before taxation and after Extra ordinary items		20,646		30,340
Add Back				
Depreciation		9,491		9,510
Deffered Revenue on account of advance against depreciation	7,905			7,905
Less : Adjustment of traiff	—	7,905		(375)
Amount written off-Miscellaneous Expenditure		—		61
(Gain)/Loss on sale of Assets		—		4
Interest & financial charges		44,844		23,643
Deduct:				
Interest Income (Interest on bank deposits)	(8,724)			(1,193)
Interest Income (Interest on Arrears)	(1,363)			(1,466)
Dividend Income (On Mutual Funds)	(45)			—
Other Income		(253)		(47)
Operating profit before working capital changes		72,501		68,382
Add:				
(Increase)/Decrease in Trade Debtor	4,827			(8,335)
Add: Transfer from amalgamating Company	—	4,827		5,364
(Increase)/Decrease in Inventories	(912)			(351)
Add: Transfer from amalgamating Company	1,336	424		137
(Increase)/Decrease in Loans and Advances and others	(10,672)			(2,247)
Add: Transfer from amalgamating Company	23,332	12,660	17,911	1,977
Deduct:				
Increase/(Decrease) in Trade Payables	42,438			2,050
Less: Transfer from amalgamating Company	56,715	(14,277)		1,568
Increase/(Decrease) in Provisions	38			111
Less: Transfer from amalgamating Company	74	(36)	(14,313)	82
Cash generated from Operations		76,099		65,438
Adjustments for :				
Income tax paid (net of refund)		(4,262)		(5,205)
Net cash inflow from operating activities — 'A'		71,837		60,233
B. Cash flow from Investing activities				
Outflow				
Investment in Fixed Assets/Capital Work in Progress	(842,577)		(83,700)	
Less: Transfer from amalgamating Company	511,192	(331,385)	8,193	(75,507)
Investment in Subsidiary	(89,850)		(134,571)	
Less: Transfer from amalgamating Company	—	(89,850)	43,635	(90,936)
Inflow				
Sale of Assets	1		1	
Interest Income	10,637		1,656	
Other Income	253	10,891	47	1,704
Net cash used in investing activities — 'B'		(410,344)		(164,739)
C. Cash flow from Financing activities				
Inflow				
Increase in Share Capital		—		—
Increase in Borrowings-Net	669,357		576,529	
Less: Transfer from Transfree Company	(330,798)	338,559	114,485	462,044
Outflow				
Decrease in Borrowings		—		(110,561)
Payment of Dividend and Dividend Distribution Tax		—		(4,299)
Interest & financial charges paid		(44,844)		(23,552)
Net cash in financing activities — 'C'		293,715		323,632
D. CASH AND CASH EQUIVALENT ON AMALGAMATIONS — 'D'		6,337		16,719
Net increase/(Decrease) in cash or cash equivalent (A+B+C+D)		(38,455)		235,845
Cash & cash equivalent at the commencement of the year (Opening balance)		240,879		5,034
Cash & cash equivalent at the end of the year (closing balance)		202,424		240,879

- Cash and Cash Equivalents:
Cash-in-hand and Balances with Scheduled Banks in Rupees [including Rs 193 Lacs lying in Unpaid Dividend Account (Previous Year Rs 195 Lacs) 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. 31 of Schedule Q.

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES

CHARTERED ACCOUNTANTS
Firm Regn No. 002626N

Manoj Gaur

Chairman

R. NAGPAL

Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida
Dated: 11th August, 2011

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

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

ANNEXURE TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

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	Sangam Power	Prayagraj Power	Jaypee Arunachal	Jaypee	Jaypee
		Generation Company Limited	Generation Company Limited	Power Limited	Powergrid Limited	Meghalaya Power Limited
		[A]	[B]	[C]	[D]	[E]
1	Financial Year of the Subsidiary Company ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
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	551,977,200	509,189,800	200,000,000	250,000,000	50,000
	(ii) Extent of holding	100%	100%	100%	74%	100%
	(iii) Share Application Money (Rs.)	–	1,690,000,000	–	–	49,500,000
3	Date from which it became Subsidiary Company	23.07.2009	23.07.2009	01.04.2009	30.01.2007	26.08.2010
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:					
	(a) For the Financial Year of the Subsidiary	–	–	(9,898,000)	(13,605,018)	(203,603)
	(b) For the Previous Financial Years since it became the Holding Company's Subsidiary	(651,770)	(645,586)	(12,645,166)	–	–
	(ii) Dealt with in the Holding Company's Accounts:					
	(a) For the Financial Year of the Subsidiary	–	–	–	–	–
	(b) For the Previous Financial Years since it became the Holding Company's Subsidiary	–	–	–	–	–
5	Changes in the interest of Jaiprakash Power Ventures Limited between the end of the Subsidiary's Financial Year and 31st March, 2011					
	– 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, 2011					
	(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.

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 002626N

Manoj Gaur
Chairman

R. NAGPAL

Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida

Dated: 11th August, 2011

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

M.M. Sibbal
Sr. 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 AND ITS SUBSIDIARIES

The Board of Directors

JAIPRAKASH POWER VENTURES LIMITED

- We have audited the attached consolidated Balance Sheet of JAIPRAKASH POWER VENTURES LIMITED and its subsidiaries, as at 31st March, 2011, 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 certain subsidiaries, whose financial statements reflect total assets of Rs. 2755.92 Crores as at 31st March 2011, total revenue of Rs. Nil and total Net cash flows amounting to Rs. 25.59 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, 2011.
 - 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
Firm Regn No.002626N
(CA R. NAGPAL)

Place : Noida
Dated : 11th August, 2011

Partner
M.No. 81594

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. In Lacs)

PARTICULARS	SCHEDULE	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A [I]	209,568	209,568
Share Capital Suspense	A [II]	52,908	–
Reserve & Surplus	B	254,162	127,237
MINORITY INTEREST			
(in subsidiaries)			
Share Capital		6,500	4,550
Share Application Money		–	1,300
DEFERRED REVENUE	C	31,302	23,397
LOAN FUNDS			
Secured Loans	D	1,239,145	554,847
Unsecured Loans	E	95,442	126,300
TOTAL SOURCES OF FUNDS		1,889,027	1,047,199
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	F	380,148	483,027
Less: Depreciation		59,028	60,249
Net Block		321,120	422,778
Capital Work in Progress		932,113	157,005
Preoperative Expenses of New Projects			
(Pending Capitalisation)	G	241,014	82,230
INVESTMENTS	H	198,594	40,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		1,817	2,170
Sundry Debtors		15,566	20,393
Cash & Bank Balances		222,814	258,717
Other Current Assets		7,485	9,265
Loans & Advances		38,685	92,057
		286,367	382,602
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	53,483	27,476
Provisions		36,698	10,124
		90,181	37,600
NET CURRENT ASSETS		196,186	345,002
MISCELLANEOUS EXPENDITURE	K	–	184
(to the extent not written off or adjusted)			
TOTAL APPLICATION OF FUNDS		1,889,027	1,047,199

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

CHARTERED ACCOUNTANTS
Firm Regn No. 002626N

R. NAGPAL

Partner
M.No. 81594

Place: Noida
Dated: 11th August, 2011

R.K. Narang
Director

Suren Jain
Managing Director & CFO

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

Manoj Gaur

Chairman

Sunil Kumar Sharma
Vice Chairman & CEO

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

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. In Lacs)

PARTICULARS	SCHEDULE	2010-11	2009-10	
INCOME				
Sale of Electrical Energy (Net of advance against depreciation - see note 9 of the Schedule "Q")		70,977	65,942	
Less: Rebate for prompt payments		1,109	981	64,961
Sale of Verified Emission Reduction (VERs)		3,821		4,112
Other Income	L	10,385		2,706
		84,074		71,779
EXPENDITURE				
Operation & Maintenance	M	2,688		3,067
Employees' Remuneration & Benefits	N	2,434		2,155
Administration & other expenses	O	2,968		3,003
Interest & Financial Charges	P	44,844		23,643
Miscellaneous Expenditure Written Off		101		147
Prior Period Expenses (Preliminary Expenses)		184		139
		53,219		32,154
Operating Profit		30,855		39,625
Depreciation		9,493		10,261
PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		21,362		29,364
Extra ordinary items: Less - Adjustment of Tariff for FY 04 to FY 08		1,002		-
PROFIT BEFORE TAX		20,360		29,364
Provision for Income Tax - Current Year		4,116	5,157	
Provision for Income Tax - Earlier Years		21	27	
Provision for Fringe Benefit Tax for earlier years reversed		(2)	-	
Provision for Wealth Tax		-	1	5,185
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		16,225		24,179
Minority Share Holders Interest		(48)		-
Net profit for the period		16,177		24,179
Add: Profit brought forward from previous year		88,861	51,830	
Add: Profit/(Loss) Transferred from Amalgamating Company (BPSCL)		(85)	10,142	
Add: Profit/(Loss) Transferred from Amalgamating Company (JKHCL)		(201)	-	
Add : Debenture Redemption Reserve Written Back		4,800	2,900	
Add : Amortisation of Goodwill reversed on a/c of Amalgamation of BPSCL		749	-	64,872
PROFIT AVAILABLE FOR APPROPRIATION		110,301		89,051
APPROPRIATION:				
Add : Minority Share Holders Interest for Appropriation		48	-	
Less : Debenture Redemption Reserve for the year		27,736	32	
Less : Premium on Foreign Currency Convertible Bonds		1,846	243	275
BALANCE CARRIED TO BALANCE SHEET		80,767		88,776
Basic Earning Per Share before Extraordinary Items (EPS), (in Rs.)		0.82		1.15
Diluted Earning Per Share before Extraordinary Items (EPS), (in Rs.)		0.66		1.15
Basic Earning Per Share after Extraordinary Items (EPS), (in Rs.)		0.77		1.15
Diluted Earning Per Share after Extraordinary Items (EPS), (in Rs.)		0.62		1.15

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

Firm Regn No. 002626N

R. NAGPAL

Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida

R.K. Porwal

M.M. Sibbal

Dated: 11th August, 2011

Sr. General Manager (F & A)

Sr. General Manager &
Company Secretary

(Rs. In Lacs)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
CONSOLIDATED SCHEDULE 'A'		
SHARE CAPITAL		
Authorised Capital		
830,00,00,000 Equity Shares of Rs. 10/- each		
Previous year 390,00,00,000 Equity shares of Rs.10/- each)	830,000	390,000
[I] Issued & Subscribed		
209,56,80,200 Equity Shares of Rs.10/- each	209,568	209,568
(Previous year 209,56,80,200 Equity shares of Rs.10/- each fully paid up)		
[160,46,79,600 Equity Shares (Previous year 160,46,79,600) allotted as fully paid-up for consideration other than cash in terms of Scheme of Amalgamation effective from 14.12.2009]		
(Out of the above 1,59,80,00,600 equity shares are held by Jaiprakash Associates Ltd.- the holding company.)		
(Previous year 159,80,00,600 equity shares of Rs. 10/- each)		
[II] Share Capital Suspense		
52,90,76,923 Equity Shares of Rs. 10/- each fully paid up to be allotted pursuant to scheme of amalgamation, for consideration other than cash, effective from 26.07.2011	52,908	-
(Out of the above 18,50,00,000 equity shares will be held by Jaiprakash Associates Ltd.- the holding company.)		
TOTAL	262,476	209,568
CONSOLIDATED SCHEDULE 'B' : RESERVE AND SURPLUS		
General Reserve		
Opening Balance	4,785	1,785
Add : Transfer from Amalgamating Company	-	3,000
	4,785	4,785
Capital Reserve on Amalgamation		
Opening Balance	-	-
Add : On amalgamation of JKHCL & BPSCL	230,692	-
Less : Goodwill as at 01.04.2010 written off	96,281	-
	134,411	-
Debenture Redemption Reserve		
Opening Balance	4,832	4,800
Add : Transfer from Profit & Loss Account	27,736	32
Add : Transfer from Amalgamating Company	-	2,900
Less : Transfer to Profit & Loss Account on Redemption	4,800	2,900
	27,768	4,832
Share Premium Account:		
Opening Balance	28,601	-
Add : Transfer from Amalgamating Company	-	39,299
Less : Transfer to Provision for Premium on Redemption of Debentures	24,259	-
Less : Goodwill Written Off as per Scheme of Amalgamation	-	10,698
	4,342	28,601
Reserve for Premium on Foreign Currency Convertible Bonds		
Opening Balance	243	-
Add : Provisions for the year	1,846	243
	2,089	243
Surplus		
As per Profit & Loss Account	80,767	88,776
TOTAL	254,162	127,237
CONSOLIDATED SCHEDULE 'C' :DEFERRED REVENUE		
Advance against depreciation		
Opening Balance	23,397	7,764
Add : Transfer from Amalgamating Company	-	8,103
Add : For the year	7,905	7,905
Less : Adjustment of Tariff for FY 04 to FY 08	-	375
	31,302	23,397
TOTAL	31,302	23,397

(Rs. In Lacs)

PARTICULARS	As at 31.03.2011		As at 31.03.2010	
CONSOLIDATED SCHEDULE 'D'				
SECURED LOANS				
(Refer Note 6 of Schedule Q for Security)				
DEBENTURES				
Redeemable Non-Convertible Debentures		198,257		116,488
TERM LOANS FROM				
Financial Institutions		160,070		88,783
Banks		862,374	1,022,444	330,972
				419,755
FOREIGN CURRENCY LOANS				
Financial Institutions		8,992		10,592
Buyers' Credit		6,412	15,404	8,012
				18,604
WORKING CAPITAL				
Banks		3,040		–
TOTAL		1,239,145		554,847

CONSOLIDATED SCHEDULE 'E'				
UNSECURED LOANS				
Foreign Currency Convertible Bonds		89,400		90,300
Short Term Loans from Banks (Repayable within one year)		5,042		35,000
From Govt. of Uttarakhand (Non Interest Bearing)		1,000		1,000
TOTAL		95,442		126,300

CONSOLIDATED SCHEDULE 'F'
FIXED ASSETS

(Rs. In Lacs)

S. Particulars No.	Gross Block					Depreciation					Net Block	
	As at 1.4.2010	Assets Acquired on Amalgamation (JKHCL)	Additions during the Year	Sale / Transfer During the Year	As at 31.03.2011	Upto 31.03.2010	Assets Acquired on Amalgamation (JKHCL)	For the Year	Sale / Transfer During the Year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1 GOODWILL	106,979	–	–	106,979	–	10,698	–	–	10,698	–	–	96,281
2 GOODWILL ON CONSOLIDATION	7,513	–	–	7,494	19	751	–	2	749	4	15	6,762
3 LAND												
Lease hold Land	1,082	1,752	639	–	3,473	135	–	583	–	718	2,755	947
Freehold Land	11,727	2,448	4,978	–	19,153	–	–	–	–	–	19,153	11,727
4 BUILDING, ROAD & BRIDGES	18,070	–	247	–	18,317	1,301	–	297	–	1,598	16,719	16,769
5 HYDRAULIC WORKS	156,003	–	–	–	156,003	19,389	–	4,228	–	23,617	132,386	136,614
6 TRANSMISSION LINE	23,793	–	–	–	23,793	4,375	–	645	–	5,020	18,773	19,418
7 PLANT AND MACHINERY	156,460	–	746	129*	157,077	23,001	–	4,316	–	27,317	129,760	133,459
8 FURNITURE & FIXTURES	175	10	78	–	263	71	–	21	–	92	171	104
9 OFFICE EQUIPMENT	371	139	299	–	809	80	5	55	–	140	669	291
10 VEHICLES	582	66	336	15	969	176	14	64	4	250	719	406
11 CAPITAL EXPENDITURE ON ASSETS NOT OWNED BY THE COMPANY	269	–	–	–	269	269	–	–	–	269	–	–
12 INTANGIBLE ASSETS	3	–	–	–	3	3	–	–	–	3	–	–
TOTAL	483,027	4,415	7,323	114,617	380,148	60,249	19	10,211	11,451	59,028	321,120	422,778
Previous Year 31.03.2010	184,874	278,416	22,384	2,647	483,027	26,412	12,830	21,019	12	60,249	422,778	
CAPITAL WORK IN PROGRESS											932,113	157,005

Note :

- Depreciation on Assets of Projects under implementation amounting to Rs. 718 Lacs (Previous Year Rs. 69 Lacs) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.
- Goodwill created on earlier amalgamation as per Sl. No. 1 above has been written off through Amalgamation Reserve as per scheme of amalgamation effective from 26.07.2011.
- Goodwill on consolidation has been reversed on account of BPSCL, amalgamating with the company consequently extinguishing as subsidiary of the company w.e.f 01.04.2010.
- Amount mentioned at * Rs. 129 Lacs is on account of exchange fluctuation profit / (loss) on the valuation of Foreign Currency Loans taken for purchase of Plant & Machinery at the exchange rate prevailing on the date of Balance Sheet.

PARTICULARS	(Rs. In Lacs)	
	As at 31.03.2011	As at 31.03.2010
CONSOLIDATED SCHEDULE 'G'		
PRE-OPERATIVE EXPENSES OF NEW PROJECTS – PENDING CAPITALISATION		
Opening Balance as on 01.04.2010	82,230	5,586
Balance Transferred from the Amalgamating Company (JKHCL)	65,117	14,637
Advertisement & Publicity	79	160
Bank Charges and BG Commission Charges	180	52
Bidding Expenses	5	11
Books and Periodicals	–	2
Catchment area treatment plan	474	–
Compensation for Forest Clearance, Land, Trees & Buildings	1,289	17,959
Consultancy Expenses	1,084	3,517
Depreciation	718	69
Directors' Remuneration & Benefits	243	24
Directors' Sitting Fee	15	24
Employee Remuneration & Benefits	2,614	1,214
Local Area Development & Environmental Management Plan Monitoring Cost	583	10
Equipment Hiring Charges	–	8
Interest & Finance Charges	85,021	33,561
Freight & Octroi Charges	677	101
Gratuity & Leave Encashment Expenses	38	16
Insurance	1,678	47
Internal Auditors' Fees	7	–
Lease Rent / Rent	186	22
Legal and Professional Expenses	2,592	1,643
Licence and Application Fee	20	7
Miscellaneous Expenses	324	276
NOC Charges (Pollution Control)	–	5
Office & Camp Maintenance Expenses	1	237
Overhead Line Connection Charges	50	–
Postage & Courier Expenses	2	1
Power Water & Electricity Charges	219	219
Printing & Stationery Expenses	23	17
Provident Fund, ESI & Admin Charges	104	7
Provision for VAT	–	8
Provision for Wealth Tax	–	1
Rehabilitation & Resettlement Expenses	187	–
Rates & Taxes	62	69
Repair & Maintenance (Others)	229	1
Repair & Maintenance (Plant & Machinery)	9	–
Royalty Paid	14	3
Rural Development Expenses	180	–
Site Development Expenses	308	134
Staff Welfare Expenses	157	71
Stores & Spares Consumed	115	236
Survey Work Expenses	244	–
Telephone Expenses	30	31
Testing Fees	24	35
Travelling & Conveyance	474	270
Upfront & Processing Fees	465	3,300
Vehicle Running & Maintenance	268	121
Auditor's Remuneration	–	–
– For Audit	20	11
– For Tax Audit	1	1
TOTAL	248,360	83,724
Less:		
– Transferred to Jaypee Meghalaya Power Ltd. (Wholly owned subsidiary)	360	–
– Transferred to Land Account	–	250
– Transferred to Advance for Water Cess	–	39
– Interest Received (TDS Rs. 3,00,51,436/-)	4,642	783
– Foreign Exchange Variation	1,761	241
– Bidding Fees	–	14
– Excess provision (Previous Year) written back	585	224
Add:		
Income Tax on Interest Received	–	57
Wealth Tax	2	–
NET EXPENDITURE CARRIED TO BALANCE SHEET	241,014	82,230

PARTICULARS	(Rs. In Lacs)	
	As at 31.03.2011	As at 31.03.2010
CONSOLIDATED SCHEDULE 'H'		
INVESTMENTS		
INVESTMENTS (AT COST)		
(A) Investment in Subsidiary/Associate Company		
Un-Quoted		
i) Nil equity shares of Rs.10/- each fully paid up of Jaypee Karcham Hydro Corporation Ltd. (Previous year 40,00,00,000 equity shares)	–	40,000
(B) Investment in JPVL Trust (Refer Note No. 2 — below)		
	198,594	–
TOTAL	198,594	40,000
Note :		
1 Aggregate cost of : Quoted Investments (Market Value Nil) (See Note No. 2) Previous Year Rs. Nil) Unquoted (Previous year Rs. 40,000 Lacs)		198,594 Nil
2 Trust have been created on 03.06.11 for transfer of i) Shares of Bina Power Supply Company Limited held by the Company - No. of shares 12,70,76,923 shares (converted) (ii) Shares of Jaypee Karcham Hydro Corporation Limited held by the Company - No. of shares 21,70,00,000 shares (converted) (iii) The JPVL Trust is holding shares of Jaiprakash Power Ventures Limited on merger of JKHCL & BPSC, the sole beneficiary of which is the Company.		
3 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)		
Stores & Spares	1,817	2,170
Sundry Debtors (Considered Good)		
Due for a period exceeding six months	5,262	9,944
Other Debts	10,304	10,449
Cash and Bank Balances		
Cash In hand	60	37
Balances with Scheduled Banks		
(i) In Current Account	30,631	23,691
(ii) In Fixed Deposits	131,380	215,764
(Pledged with Govt. Deptt./Banks Rs. 60,75,27,476/- Previous year Rs. 1,52,52,916/-)		
(iii) Trust & Retention Account		
(i) In Current Account	31,908	4,352
(ii) In Fixed Deposits	28,642	14,678
(iv) In Unpaid Dividend account	193	195
Other Current Assests		
a) Interest receivable from HPSEB	1,588	3,709
b) Interest accrued on FDR with Banks	1,470	244
c) Deferred Receivable	4,427	5,312
A	247,682	290,545
Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received.	8,187	69,788
Staff Imprest & Advances	38	19
Prepaid Expenses	8,630	3,961
Security Deposits -with Govt. Deptts., Public bodies	8,340	7,866
– others	106	140
Advance Tax & Tax Deducted at Source	13,384	10,283
B	38,685	92,057
TOTAL (A + B)	286,367	382,602

PARTICULARS	(Rs. In Lacs)	
	As at 31.03.2011	As at 31.03.2010
CONSOLIDATED SCHEDULE 'J'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
– Micro, Small Scale, Medium Scale Industries / Enterprises	–	–
– Others	<u>46,412</u>	<u>46,412</u>
Due to Staff		273
Due to Directors'		1
Other Liabilities		4,365
Interest Accrued but not Due on loans		2,239
Investors' Education & Protection Fund: (Appropriate amounts shall be transferred to Investors' Education & Protection Fund, if and when due)		
– Unclaimed Dividend		193
A	53,483	27,476
PROVISIONS		
Income Tax	12,131	9,868
Wealth Tax	3	3
Fringe Benefit Tax	7	15
Provident fund	26	14
Bonus & Incentive	62	50
Gratuity	20	44
Leave Encashment	189	130
Premium on Redemption of Debentures	24,260	–
B	36,698	10,124
TOTAL (A + B)	90,181	37,600
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
Add : Addition During the Year	101	–
Less: Written Off	<u>285</u>	<u>269</u>
Deferred Revenue Expenditure - Opening Balance	–	–
Add : Transfer from Amalgamating Company	–	3
Less: Written Off	<u>–</u>	<u>3</u>
TOTAL	–	184
CONSOLIDATED SCHEDULE 'L'		
OTHER INCOME		
Interest on deposits with banks (TDS Rs 9,01,57,367/- Previous Year Rs. 1,49,92,507/-)	8,724	1,193
Interest on Arrears	1,363	1,466
Dividend received on Mutual Fund	45	–
Others (including sale of scrap and sundry balances written back)	253	47
TOTAL	10,385	2,706

PARTICULARS	(Rs. In Lacs)	
	2010-11	2009-10
CONSOLIDATED SCHEDULE 'M'		
OPERATION & MAINTENANCE (O & M)		
Stores & Spares consumed	368	299
Repairs to Building	103	96
Repairs to Machinery	1,644	2,067
Repairs to Barrage	10	2
O & M Charges	158	214
Insurance	405	389
TOTAL	2,688	3,067
CONSOLIDATED SCHEDULE 'N'		
EMPLOYEES REMUNERATION & BENEFITS		
Employees Remuneration & Benefits	1,995	1,662
Contribution to Provident and other funds	90	88
Workmen & Staff Welfare Expenses	145	151
Gratuity	42	32
Leave Encashment	–	54
Directors' Remuneration	162	168
TOTAL	2,434	2,155
CONSOLIDATED SCHEDULE 'O'		
ADMINISTRATION & OTHER EXPENSES		
Advertisement	172	446
Consultancy, Legal & Professional Fee	1,549	1,452
Courier & Postage	83	95
Directors' Sitting Fee	20	36
Internal Auditors' Fee	11	5
Lease Rent	56	56
Listing & Custodial Fee	63	43
Miscellaneous Expenses	158	140
Power & fuel	330	332
Printing & Stationery	88	70
Rent	44	61
Taxes & Fees	75	11
Telephone and Telex	14	12
Travelling & Conveyance	209	171
Vehicle Running & Maintenance	61	48
Auditor's Remuneration		
For Audit	28	22
For Tax Audit	4	3
For Other Services	3	–
Re-imbursment of Expenses	<u>–</u>	<u>–</u>
TOTAL	2,968	3,003
CONSOLIDATED SCHEDULE 'P'		
INTEREST & FINANCIAL CHARGES		
Interest		
Debentures	220	2,407
Term Loans	40,315	18,993
Working Capital	482	675
Financial charges		
DPG Commission	132	172
Front end fee and other charges	3,669	1,374
Security & Trusteeship Fee	26	22
TOTAL	44,844	23,643

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) (a) **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.
- (b) **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 date 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 Corporate 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 Corporate 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:

- (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.

(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 degrees of estimation in measurement are recognized when there is a present obligation as a result of past events and if are 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 Himachal Pradesh at Shimla, 'Amalgamation Reserve' being created on merger of Bina Power Supply Company Limited and Jaypee Karcham Hydro Corporation Limited with the company Jaiprakash Power Ventures Limited, will be utilized for writing off the Goodwill arisen on previous amalgamation and outstanding in the books as on 1st April, 2010.

q) Premium on Redemption of Debentures

Premium paid/payable on Redemption of Debentures are adjusted against Share Premium Account.

(r) 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) NOTES TO THE ACCOUNTS

1. Amalgamation

Pursuant to the Scheme of Amalgamation ["the Scheme"] U/s 391/394 of the Companies Act, 1956, the erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) and Bina Power Supply Company Limited (BPSCL) (Amalgamating Companies) stand merged with Jaiprakash Power Ventures Limited (Amalgamated Company) w.e.f 01.04.2010 ["the Appointed date"] in terms of the Order dated 25.07.2011 of Hon'ble High Court of Himachal Pradesh at Shimla sanctioning the Scheme and is effective from 26.07.2011. The Amalgamating Companies are in Power generation business. JKHCL is setting up 1000 MW Hydro-electric Power Project and BPSCL is setting up 1250 MW Thermal Power Project. The Amalgamated Company is engaged in generation of hydro-electric power (300 MW at Baspa HEP & 400 MW at Vishnuprayag HEP) and implementing 1320 MW Super Critical Thermal Power Project at Nigrie.

With effect from the Appointed date, all the business undertakings, assets, liabilities, rights and obligations of the Amalgamating Companies stood transferred to and vested in the Amalgamated Company in consideration for issue of one equity shares of Rs. 10/- in the Amalgamated Company for every five equity share of Rs. 10/- each held in JKHCL (Amalgamating Company) and for issue of two equity shares of Rs. 10/- each in the Amalgamated Company for every thirteen equity share of Rs. 10/- each held in BPSCL (Amalgamating Company).

The Amalgamating Companies 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 Companies 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. 01.04.2010 as detailed hereunder:

Particulars	Jaypee Karcham Hydro Corporation Limited (Rupees)	Bina Power Supply Company Limited (Rupees)
Assets		
Fixed Assets [including Capital Work-in-Progress]	37,61,57,94,958	5,87,46,01,773
Current Assets	2,78,36,33,039	18,07,30,462
Pre-Operative Expenses of New Projects (Pending Capitalisation)	6,51,16,59,415	1,38,93,98,499
Profit and Loss Account	2,00,94,680	85,04,599
Total	46,93,11,82,092	7,45,32,35,333
Liabilities		
Current Liabilities	4,91,84,52,079	89,45,81,248
Secured Loans	28,76,27,30,013	4,31,70,68,585
Total	33,68,11,82,092	5,21,16,49,833
Net Assets over Liabilities	13,25,00,00,000	2,24,15,85,500
Represented by Number of Equity Shares of Rs. 10/- each	1,32,50,00,000	22,41,58,550
Consideration		
Number of Equity Shares of Rs. 10/- each [to be allotted] by the Transferee Company	26,50,00,000	3,44,85,931
Addition to Equity Share Capital (a) Rs.	2,65,00,00,000	34,48,59,310
Balance credited to Capital Reserve for Amalgamation. (b) Rs.	10,60,00,00,000	1,89,67,26,190
Pursuant to sanction of Scheme of Amalgamation		
Company (JPVL) to issue further Share Capital against the shares allotted by the transferor companies (JKHCL & BPSCL) during the year 2010-11 :		
Share Capital issued by transferor companies Rs.	6,85,00,00,000	6,01,84,14,500
No. of Equity Shares allotted by transferor companies for the year 2010-11	68,50,00,000	60,18,41,450
No. of Equity Shares to be allotted by transferee company	13,70,00,000	9,25,90,992
Addition to Equity Share Capital (c) Rs.	1,37,00,00,000	92,59,09,920
Balance carried to Capital Reserve for Amalgamation (d) Rs.	5,48,00,00,000	5,09,25,04,580
Total addition to Equity Share Capital (a+c) Rs.	4,02,00,00,000	1,27,07,69,230
Total Amount Credited to Capital Reserve on Amalgamation (b+d) Rs.	16,08,00,00,000	6,98,92,30,770

In view of aforesaid amalgamation with effect from 01.04.2010, the figures for the current year are not comparable with those of the previous year.

2. 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]	Jaypee Powergrid Limited	India	74%
[b]	Prayagraj Power Generation Company Limited	India	100%
[c]	Sangam Power Generation Company Limited	India	100%
[d]	Jaypee Arunachal Power Limited	India	100%
[e]	Jaypee Meghalaya Power Limited (w.e.f. 26.08.2010)	India	100%

3. 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.

4. Contingent Liability not provided for in respect of :

S. No.	Particulars	2010 -11 Rs.	2009-10 Rs.
(i)	Outstanding Letters of Credit	164,52,38,966	30,49,22,392
	Margin Money deposited against the above	2,08,28,000	1,44,53,916
(ii)	Outstanding amount of Bank Guarantee Margin Money deposited against the above	126,01,71,692 6,57,56,691	1,00,44,00,152 98,60,300
(iii)	Estimated amount of Contracts Remaining to be executed on capital account and not provided for	INR USD Euro JPY Can Doll. 11,01,042.27 Lac 3,744.64 Lac 3,178.82 Lac 3,21,580.72 Lac 1.41 Lac	4,34,561.12 Lac 2,690.31 Lac 2,273.00 Lac 2,30,530.43 Lac -
(iv)	Claims against the Company not acknowledged as debts	2,22,67,389	4,39,74,413
(v)	Income Tax matters under appeal	18,95,23,051	-
(vi)	The Government of Himachal Pradesh has imposed entry tax on the goods entering the state of Himachal Pradesh. This was challenged by the Company before the Hon'ble High Court of Himachal Pradesh at Shimla. The Hon'ble High Court passed an interim order that tax paid by the petitioner would be treated as deposit and not as tax payment. The final decision of Hon'ble High Court is awaited. The total liability as at 31st March, 2011 is Rs. 27,14,69,392/- (Previous year Rs. Nil) against which Company has deposited Rs. 13,75,24,925/-.		

5. 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.

6 (a) Jaiprakash Associates Limited (JAL), the holding Company of Jaiprakash Power Ventures Ltd. (JPVL), has furnished Corporate Guarantees for the financial assistance outstanding as on 31.03.2011 amounting to Rs.1,27,86,97,966/- in respect of 400 MW Baspa II HEP (Previous Year Rs.1,98,00,25,692/-) to the Financial Institutions and Banks.

- (b) JAL, the Holding Company has furnished Corporate Guarantees for financial assistance outstanding as on 31.03.2011 amounting to US\$ 1,92,62,500 in respect of 400 MW Vishnuprayag HEP (Previous Year US\$ 2,23,44,500).
- (c) JAL, the Holding Company has pledged 62.91 Crore Equity Shares of Rs.10/- each of JPVL held by it for the financial assistance given in respect of Baspa-II HEP, Vishnuprayag HEP and Nigrie Project.
- (d) JAL the Holding Company has pledged 45.46 Crore Equity Shares of Rs.10/- each of JPVL for Corporate Loan of for Rs.1,000 crore.
- (e) (i) 7,50,00,000 Equity Shares of Rs. 10/- each fully paid (Previous year 5,25,00,000) held by the Company of Jaypee Powergrid Ltd. (Subsidiary Company) are pledged with IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Jaypee Powergrid Ltd.
- (ii) 32,55,00,000 Equity Shares of Rs. 10/- each fully paid (previous year 12,00,00,000) held by the Company (earlier a Holding Company) of Jaypee Karcham Hydro Corporation Ltd. (earlier a 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. Consequent to amalgamation of JKHCL with JPVL, the pledge of shares would get changed as might be approved by lenders.
- (iii) 42,12,60,000 Equity Shares of Rs. 10/- each fully paid (previous year 11,43,20,861) held by the Company (earlier a Holding Company) of Bina Power Supply Company Ltd. (earlier a 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. Consequent to amalgamation of BPSCL with JPVL, the pledge of shares would get changed as might be approved by lenders.
- (iv) 25,96,86,798 Equity Shares of Rs. 10/- each fully paid (previous year 1,18,62,300) held by the Company of Prayagraj Power Generation Co. Ltd. (Subsidiary Company) are pledged with SBI Cap Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Prayagraj Power Generation Co. Ltd.
- (f) (i) JAL, the Holding Company has furnished Performance Guarantees of Rs. 9549.14 Lacs to Prayagraj Power Generation Company Limited in respect of E & C Contract given by them to JAL.
- (ii) JAL, the Holding Company has furnished Performance Bank Guarantees of Rs.15,000 Lacs to five Subsidiaries of UPPCL on behalf of Prayagraj Power Generation Company Limited in respect of Tariff based bidding process for sale of Power.
- (iii) JAL, the Holding Company has furnished Performance Bank Guarantees of Rs. 9,900 Lacs to five Subsidiaries of UPPCL on behalf of Sangam Power Generation Company Limited in respect of Tariff based bidding process for sale of Power.
7. **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 and 23rd June, 2010 for F.Y. 09, 10 and 11 and has also tried up the Tariff for F.Y. 04 to 08 based on actual for the period. The Company has filed Appeals 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 and Rate of Interest on Arrears. Accordingly, the receivables to the extent of Rs. 76.98 Crore (Previous Year Rs. 56.07 Crore) from HPSEB in respect of review items are subject to final decision on the Application / Appeal and other legal remedies available to the Company.

8. **Karcham Wangtoo Project :** The erstwhile amalgamating company Jaypee Karcham Hydro Corporation Ltd had executed a Power Purchase Agreement (PPA) for sale of 704 MW power, out of 1000 MW power from Karcham Wangtoo Project to Power Trading Corporation (India) Limited (PTC) on 21st March, 2006 for a term of 35 years with the stipulation that the tariff for sale of power shall be as approved by Central Electricity Regulatory Commission (CERC) based on the completion cost as approved by Central Electricity Authority (CEA)/Central Electricity Regulatory Commission. It was subsequently found that the Electricity Act, 2003 does not provide for the determination of tariff for sale of power by a Generating Company to a Trading Company and therefore based on the legal opinion the said PPA was considered to be void and PTC was informed accordingly. The PTC had disputed the position taken by the Company and the dispute was referred to arbitration. The Arbitral Tribunal have pronounced the order on 28th April, 2011 by majority verdict in favour of the Company and held that the PPA executed with PTC was void. The PTC had also approached the Hon'ble High Court of Delhi for restraining the Company from entering into agreement for sale of aforesaid power to any third party which was rejected. The PTC then filed a SLP in the Hon'ble Supreme Court against the order of Hon'ble High Court, which is pending.
9. As per accounting policy the Advance against Depreciation amounting to Rs.7905 lacs (Previous Year Rs.7905 lacs) has been treated as Deferred Revenue.
10. Earnings Per Share is computed in accordance with Accounting Standard-20 issued by the Institute of Chartered Accountants of India.

(Amount in Rs.)

Sl.	Particulars	2010-11	2009-10
[a]	Net Profit for Basic Earnings Per Share as per Profit & Loss Account	161,76,35,616	241,78,02,887
	Adjustment for the purpose of Diluted Earnings Per Share	-	-
	Net Profit for Diluted Earnings Per Share	161,76,35,616	241,78,02,887
[b]	Weighted average number of equity shares for Earnings Per Share computation:		
[i]	Number of Equity Shares at the beginning of the year	209,56,80,200	49,10,00,600
[ii]	Number of Shares allotted/ to be allotted on amalgamation	52,90,76,923	160,46,79,600
[iii]	Weighted average shares allotted/to be allotted during the year on Amalgamation	39,48,72,741	160,46,79,600
[iv]	Number of potential Equity Shares	10,75,35,026	1,38,46,976
[v]	Weighted average No. of Shares for calculating:		
	[a] Basic Earnings Per Share	209,56,80,200	209,56,80,200
	[b] Diluted Earnings Per Share	259,80,87,967	210,95,27,176
[c]	Earnings Per Share		
	[i] Basic	0.77	1.15
	[ii] Diluted	0.62	1.15
[d]	Face Value Per Share	10.00	10.00

11. Provisions for Taxation have been made as per individual accounts of the Companies.
12. Managerial remuneration paid/ payable by the Company and its subsidiaries to Managing/Whole-time Directors [excluding provisions for Gratuity & Leave Encashment on Retirement] :

	2010-11* Rs.	2009-10 Rs.
Salary	5,30,00,870	3,34,79,227
Provident Fund	33,98,845	23,38,142
Perquisites	1,65,45,428	82,78,438
Total	7,29,45,143	4,40,95,807

(* Including remuneration/Ex Gratia paid to Directors of Amalgamating Company. The remuneration paid to Directors for Projects under implementation has been shown in 'Incidental expenditure during construction'.

13. 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 Ganga Infrastructure Corporation Limited
- (2) Himalyan Expressway Limited
- (3) Jaypee Infratech Limited
- (4) Jaypee Sports International Limited
- (5) Jaypee Cement Corporation Limited
(w.e.f. 22.02.2011)
- (6) Bhilai Jaypee Cement Limited
- (7) Bokaro Jaypee Cement Limited
- (8) Gujarat Jaypee Cement & Infrastructure Limited
- (9) Jaypee Agra Vikas Limited
- (10) Jaypee Fertilizers & Industries Limited
(w.e.f.03.06.2010)

(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) Indesign Enterprises Pvt. Limited (subsidiary of Jaypee Ventures Private Limited)
- (6) Indus Hotels UK Limited (subsidiary of Indesign Enterprises Pvt. Limited)
- (7) GM Global Mineral Mining Private Limited (subsidiary of Indesign Enterprises Pvt. Limited) (w.e.f. 16.07.2010)

- (8) Ibonshourne Limited (subsidiary of Indesign Enterprises Pvt. Limited) (w.e.f. 13.10.2010)
- (9) Jaiprakash Agri Initiatives Company Limited (subsidiary of Jaypee Ventures Private Limited)
- (10) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Ventures Private Limited)
- (11) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- (12) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Private Limited)
- (13) Jaypee Uttar Bharat Vikas Pvt. Limited (w.e.f. 21.06.2010)
- (14) Kanpur Fertilisers and Cement limited (subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited) (w.e.f. 26.09.2010)
- (15) RPJ Minerals Private Limited
- (16) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
- (17) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (18) Sonebhadra Minerals Private Limited
- (19) MP Jaypee Coal Limited
- (20) Madhya Pradesh Jaypee Minerals Limited
- (21) MP Jaypee Coal Fields Limited
- (22) Jaiprakash Kashmir Energy Limited
- (23) Jaypee Hotels Limited
- (24) Jaypee Mining Venture Private Limited
- (25) Ceekay Estate Private Limited
- (26) Pac Pharma Drugs and Chemicals Private Limited
- (27) Akasva Associates Private Limited
- (28) Sparton Growth Fund Private Limited
- (29) Jaypee Infra Ventures (A Private Company with unlimited liability)
- (30) Sunvin Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (31) Manumanik Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (32) Arman Estate Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (33) Suneha Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (34) Pee Gee Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (35) Vinamra Housing & Constructions Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (36) Vasujai Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)
- (37) Samsun Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f. 01.04.2009)

- (38) Jaiprakash Exports Pvt. Ltd.
(39) Bhumi Estate Developers Pvt. Ltd.
(40) Jaypee Technical Consultants Pvt. Ltd.
(41) Essjay Enterprises Pvt. Ltd.
(42) Angad Growth Fund Pvt. Ltd.
(43) OHM Products Pvt. Ltd.

(d) Key management Personnel:

(i) Jaiprakash Power Ventures Limited

- (1) Shri Manoj Gaur, Chairman
(2) Shri S.K. Sharma, Vice Chairman and CEO
(3) Shri Suren Jain, Managing Director and CFO
(4) Shri G.P. Gaur, Whole-time Director,
(w.e.f. 01.02.2011)
(5) Shri R.K. Narang, Whole-time Director,
(6) Shri Suresh Chandra, Whole-time Director
(7) Shri J.N. Gaur, Whole-time Director
(Up to 30.09.2010)

(ii) Jaypee Karcham Hydro Corporation Limited – Amalgamating company

- (1) Shri Dharam Paul Goyal, Managing Director,
(2) Shri Parveen Kumar Singh, Whole-time Director
(3) Shri Ravindra Mohan Chadha, Whole-time Director

(iii) Bina Power Supply Company Limited – Amalgamating company

- (1) Shri P. K. Jain, Whole-time Director
(2) Shri V.K. Sriwastva, Whole-time Director

(iv) Jaypee Powergrid Limited

- (1) Shri Rajiv Ranjan Bhardwaj, Managing Director
(2) Shri Prabhakar Singh, Whole-time Director

(v) Prayagraj Power Generation Company Limited

- (1) Shri Rakesh Sharma, Managing Director
(2) Shri Ramesh Chandra Shrivastav, Whole-time Director (w.e.f 12.08.2010)
(3) Shri Arun Gupta – Whole-time Director (upto 31.08.2010)

(vi) Sangam Power Generation Company Limited

- (1) Shri Rakesh Sharma, Managing Director
(2) Shri Siddheshwar Sen, Whole-time Director (w.e.f. 01.08.2010)
(3) Shri V.K.Agarwal, Whole-time Director (w.e.f. 15.11.2010)

(vii) Jaypee Arunachal Power Limited

- (1) Shri Pankaj Gaur, Whole-time Director

(viii) Jaypee Meghalaya Power Limited

- (1) 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 (Previous Year)	40,70,988 (23,94,451)	-	-	-
Rent (Previous Year)	40,32,000 (64,32,000)	-	-	-
Cement	56,42,89,409 (-)	-	-	-
Other Expenses (Previous Year)	10,15,11,343 (8,97,42,668)	-	1,53,72,076 (2,57,37,264)	-
Salary & Perquisites (Previous Year)	-	-	-	7,29,45,143 (4,40,95,807)
Consultancy (Previous Year)	-	-	-	-
Services Availed (Previous Year)	73,214 (14,59,259)	-	9,99,46,618 (1,05,07,517)	-
Execution of Work (Previous Year)	15,72,80,20,202 (92,60,41,994)	-	-	-
Outstandings - Payables				
Amount payable (Previous Year)	245,26,66,217 (13,55,73,230)	-	78,43,026 (2,02,673)	17,31,032 (3,00,880)
Outstandings - Receivables				
Amount receivable (Previous Year)	67,66,35,470 (28,23,06,655)	-	-	-
Investment in Shares				
Capital (Previous Year)	-	(4,00,00,00,000)	-	-

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

14 (a) In terms of Scheme of Amalgamation as approved by the Hon'ble High Court of Himachal Pradesh at Shimla vide order dated 25.07.2011, the Company has decided to write off the balance lying in Goodwill for Rs.962.81 Crore (out of amount created on earlier Amalgamation) from 'Amalgamation Reserve' arising on merger of Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited with the Company. In the previous year Goodwill amounting to Rs.106.98 Crore was written off from Share Premium Account.

(b) Goodwill amounting to Rs. 7513.06 Lac was created during the year 2009-10 on Consolidation of Accounts of parent company and the subsidiary companies i.e. Jaypee Powergrid Limited, Jaypee Karcham Hydro Corporation Limited, Bina Power Supply Company Limited, Prayagraj

Power Generation Company Limited, Sangam Power Generation Company Limited and Jaypee Arunachal Power Limited. Consequent upon merger of Bina Power Supply Company Limited (BPSCL) with the Company (JPVL) w.e.f. 01.04.2010, the Goodwill amount of Rs 7494.14 Lacs on account of BPSCL has been reversed. Since goodwill is to be amortised over a period of ten years, an amount of Rs. 1.70 Lac (Previous Year Rs. 751 Lac) has been written off out of remaining balance of Goodwill and the same is included in the depreciation for the year ended 31st March, 2011.

in compliance with applicable Accounting Standards, Board of directors of the Company has by Resolution given consent for not attaching the Balance Sheet of the Subsidiary companies and disclosure of following information:

(Rs. In Lacs)

Particulars	Jaypee Power Grid Ltd	Prayagraj Power Generation Co. Ltd.	Sangam Power Generation Co. Ltd.	Jaypee Arunachal Power Ltd	Jaypee Meghalaya Power Ltd
Capital (including Share Application Money)	25,000	67,819	55,198	20,000	500
Reserves	-	-	-	-	-
Total Assets	84,800	1,42,540	55,248	20,009	501
Total Liabilities (including Loans)	59,984	74,727	57	234	3
Investment details (including Share Application Money)	-	-	-	-	-
Turnover (including Other Income)	-	-	-	-	-
Profit Before Taxation	(184)	(6)	(7)	(225)	(2)
Provision for Taxation	-	-	-	-	-
Profit After Taxation	(184)	(6)	(7)	(225)	(2)
Proposed Dividend [including Dividend Distribution Tax]	-	-	-	-	-

- 15 (a) The Company has presently one operative segment i.e. Generation and Transmission of Power, hence, separate segment reporting is not applicable.
- (b) The operations of the Company are carried within the Country and therefore geographical segments are not applicable.

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	2010-11 (Rs.)	2009-10 (Rs.)
a)	The principal amount and interest due thereon remaining unpaid to any supplier - Principal Amount - Interest Amount	Nil Nil	Nil Nil
b)	The amount of interest paid by the buyer in terms of section 16, 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 date 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

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. The previous year figures have been regrouped/re-arranged wherever considered necessary to make them conform to the figures for the current period.

20. 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
Firm Regn. No. 002626N

Manoj Gaur
Chairman

R. NAGPAL
Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director
& CFO

Sunil Kumar Sharma
Vice Chairman
& CEO

17. 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 General Circular no 2/2011 dated 08.02.2011 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 subject to, inter alia, presentation of audited consolidated financial statements

Place: Noida

R.K. Porwal

M.M. Sibbal

Dated: 11th August, 2011 Sr. General Manager (F & A)

Sr. General Manager & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in lacs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	01.04.2010 TO 31.03.2011		01.04.2009 TO 31.03.2010	
A. Cash flow from operating activities				
Profit before taxation and after Extra ordinary items		20,360		29,364
Add Back				
Depreciation		9,493		10,261
Deffered Revenue on account of advance against depreciation	7,905			7,905
Less : Adjustment of traiff	<u>—</u>	7,905		(375)
Amount written off-Miscellaneous Expenditure		285		286
(Gain)/Loss on sale of Assets		—		4
Interest & financial charges		44,844		23,643
Deduct:				
Interest Income (Interest on bank deopits)	(8,724)			(1,193)
Interest Income (Interest on Arrears)	(1,363)			(1,466)
Dividend Income (On Mutual Funds)	(45)	(10,132)		—
Other Income		(253)		(47)
Operating profit before working capital changes				
Add:				
(Increase)/Decrease in Trade Debtor	4,827			(8,335)
Add: Transfer from amalgamating Company	<u>—</u>	4,827		5,364
(Increase)/Decrease in Inventories	353			(1,680)
Add: Transfer from amalgamating Company	<u>20</u>	373		137
(Increase)/Decrease in Loans and Advances and others	(12,240)			(78,914)
Add: Transfer from amalgamating Company	<u>20,418</u>	8,178	13,378	4,886
Deduct:				
Increase/(Decrease) in Trade Payables	25,447			23,336
Less: Transfer from amalgamating Company	47,802	(22,355)		3,104
Increase/(Decrease) in Provisions	58			84
Less: Transfer from amalgamating Company	<u>65</u>	(7)	(22,362)	2,517
Cash generated from Operations			63,518	17,799
Adjustments for :				7,639
Income tax paid (net of refund)			(4,418)	(5,526)
Net cash inflow from operating activities – 'A'			59,100	2,113
B. Cash flow from Investing activities				
Outflow				
Investment in Fixed Assets/Capital Work in Progress	(876,278)			(187,764)
Less: Transfer from amalgamating Company	441,275	(435,003)		—
Investment in Subsidiary	(158,594)			(40,000)
Less: Transfer from amalgamating Company/on account of merger of Subsidiary companies	<u>158,594</u>			—
Inflow				
Sale of Assets	2			1
Interest Income	12,139			1,656
Other Income	<u>253</u>		12,394	47
Net cash used in investing activities – 'B'			(422,609)	(226,060)
C. Cash flow from Financing activities				
Inflow				
Increase in Share Capital		650		2,600
Increase in Borrowings-Net	653,440			703,210
Less: Transfer from Transfree Company	(287,627)	365,813		(114,485)
Outflow				
Decrease in Borrowings				(110,561)
Payment of Preliminary Expenses		(101)		(13)
Payment of Dividend and Dividend Distribution Tax				(4,299)
Interest & financial charges paid		(44,844)		(23,552)
Net cash in financing activities—'C'			321,518	452,900
D. CASH AND CASH EQUIVALENT ON AMALGAMATIONS – D'			6,089	17,396
Net increase/(Decrease) in cash or cash equivalent (A + B + C + D)			(35,903)	246,350
Cash & cash equivalent at the commencement of the year (Opening balance)			258,717	12,367
Cash & cash equivalent at the end of the year (closing balance)			222,815	258,717

Notes :

- Cash and Cash Equivalents:
Cash-in-hand and Balances with Scheduled Banks in Rupees [including Rs 193 Lacs lying in Unpaid Dividend Account (Previous Year Rs 195 Lacs) 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.
- 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
Firm Regn No. 002626N

Manoj Gaur
Chairman

R. NAGPAL

Partner
M.No. 81594
Place: Noida
Dated: 11th August, 2011

R.K. Narang
Director

Suren Jain
Managing Director & CFO

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

Sunil Kumar Sharma
Vice Chairman & CEO

M.M. Sibbal
Sr. 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 16th 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 30th September, 2011 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 16th 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 30th September, 2011 at 11.00 A.M.

Signed at this.....day of.....2011.

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.



Machine Hall at 400 MW Vishnuprayag Hydro Power Plant, Uttarakhand



Upstream view of 1000 MW Karcham Dam, Himachal Pradesh



Machine Hall of 1000 MW Karcham-Wangtoo Hydro Power Plant, Himachal Pradesh



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



Construction work in progress of T.G. Building at 500 MW Bina TPP (Phase-I) Madhya Pradesh



Construction work in progress at 2X660 MW Jaypee Nigrie TPP, Madhya Pradesh



Construction work in progress at 1980 MW Bara TPP (Phase-I) Uttar Pradesh



Transmission line of Jaypee Powergrid from Wangtoo to Abdullapur



40 Bedded Hospital at Sholtu, Himachal Pradesh



Shiv Temple at Vishnuprayag, Uttarakhand

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JAIPRAKASH
POWER VENTURES LIMITED

Corporate Office: Sector-128, Noida-201 304, Dist. Gautam Budh Nagar (U.P) Tel. 91-120-4609000
Fax: 91-120-4609496 Website: www.jppowerventures.com