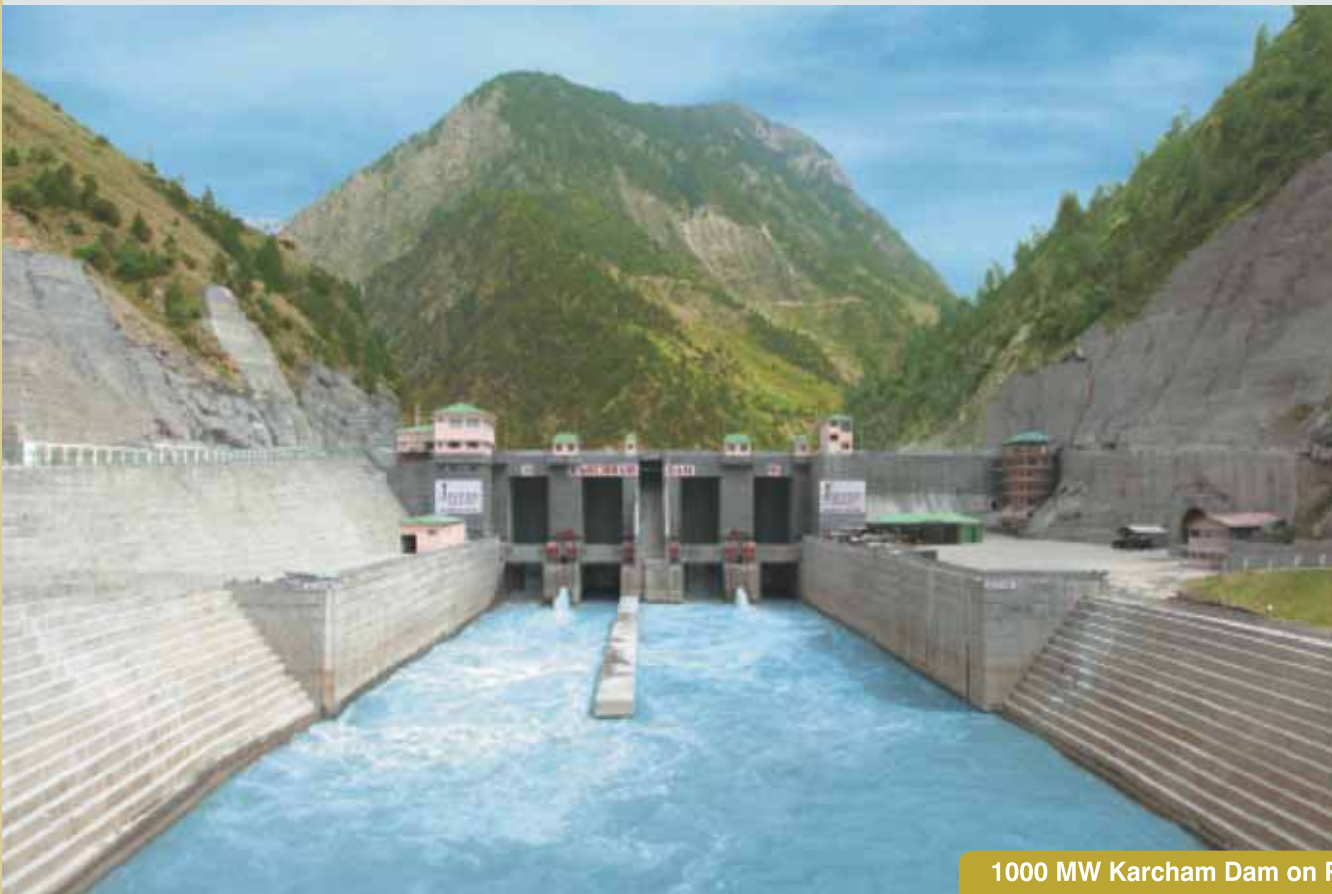


annual report 2011-12



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



Construction
Power
Cement
Hospitality
Real Estate
Fertilizer
Buddh International Circuit

— 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.*

HIGHLIGHTS

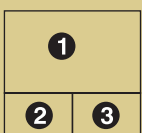
- *Environment Friendly Run of the River Projects*
- *India's Largest Hydropower Producer in Private Sector*
- *13470 MW by 2019*
- *Super Critical Technology in Thermal Plants*
- *Green Power Portfolio*

Power Capacity in Operation and Under Advanced Stages of Implementation

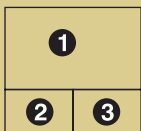
| S.N. | Project | Location | Capacity (MW) | Fuel | Equipment Supplier | Financial Closure |
|-------------------------|----------------------------|----------|---------------|------------------------|--|-------------------|
| Current Capacity | | | | | | |
| 1. | Baspa-II | H.P. | 300 | Hydro | VA Tech (Austria), Voith (Germany) | ✓ (Operational) |
| 2. | Vishnuprayag | U.K. | 400 | Hydro | Alstom (France) | ✓ (Operational) |
| 3. | Karcham Wangtoo | H.P. | 1,000 | Hydro | VA Tech (Austria), Voith (Germany) | ✓ (Operational) |
| | Cumulative Total | | 1,700 | | | |
| By December 2012 | | | | | | |
| 4. | Bina Phase-I | M.P. | 500 | Thermal (Coal Linkage) | BHEL (India) | ✓ |
| | Cumulative Total | | 2,200 | | | |
| By March 2014 | | | | | | |
| 5. | Nigrie | M.P. | 1,320 | Thermal (Captive Coal) | L&T-MHI (India/Japan) | ✓ |
| 6. | Bara Phase-I (Unit 1) | U.P. | 660 | Thermal (Coal Linkage) | BHEL (India) in Technical Collaboration with Alstom (USA), Siemens (Germany) | ✓ |
| | Cumulative Total | | 4,180 | | | |
| By March 2015 | | | | | | |
| 7. | Bara Phase-I (Units 2 & 3) | U.P. | 1,320 | Thermal (Coal Linkage) | BHEL (India) in Technical Collaboration with Alstom (USA), Siemens (Germany) | ✓ |
| | Cumulative Total | | 5,500 | | | |



- 1** Upstream view of 1000 MW Karcham Dam, Himachal Pradesh
- 2** Jay Jyoti School at Sholtu, Himachal Pradesh
- 3** Machine Hall of 1000 MW Karcham-Wangtoo Hydro Electric Plant, Himachal Pradesh



- 1 Barrage of 300 MW Baspa-II Hydro Electric Plant, Himachal Pradesh
- 2 Guest House at Baspa-II Hydro Electric Plant, Himachal Pradesh
- 3 Machine Hall at 300 MW Baspa-II Hydro Power Plant, Himachal Pradesh



- ❶ Barrage of 400 MW Vishnuprayag Hydro Electric Plant, Uttarakhand
- ❷ Hospital at Vishnuprayag, Uttarakhand
- ❸ Machine Hall at 400 MW Vishnuprayag Hydro Power Plant, Uttarakhand



500 MW Bina TPP (Phase-I) Madhya Pradesh



Work in progress at 2x660 MW Jaypee Nigrie TPP, Madhya Pradesh



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



Transmission line of Jaypee Powergrid from Wangtoo to Abdullapur



Shiv Temple at Vishnuprayag, 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
Dr. R.C. Vaish
Subroto Gupta (IDBI Nominee)
S.S. Gupta
Dr. J.N. Gupta
G.P. Gaur
Dr. R.L. Gupta
D.P. Goyal, Whole-time Director
Lt.Gen.(Retd.) Ravindra Mohan Chadha, Whole-time Director
R.K. Narang, Whole-time Director
Suresh Chandra, Whole-time Director
Praveen Kumar Singh, Whole-time Director

Company Secretary

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

Statutory Auditors

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

Internal Auditors

M/s. Rajendra K Goel & Co.
Chartered Accountants
New Delhi

Cost Auditors

M/s. Kabra & Associates
Cost Accountants
Delhi

Registrar & Transfer Agents

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

Registered Office

JUIT Complex, Waknaghat, P.O. Dumehar Bani,
Kandaghat-173215, District Solan (H.P.)

Corporate Office

Sector - 128, Noida - 201304,
Distt. Gautam Budh Nagar (U.P.)
Tel. 0120-4609000, Fax: 0120-4609496

Website & E-mail Address

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

Bankers/Lenders

Indian

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
Dena Bank
ICICI Bank Limited
IDBI Bank Limited
Infrastructure Development Finance Company Limited
IFCI Limited
Indian Bank
Indian Overseas Bank
Life Insurance Corporation of India
Oriental Bank of Commerce
Power Finance Corporation Limited
Punjab National Bank
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

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NOTICE

NOTICE is hereby given that the **Seventeenth Annual General Meeting** of the Members of **JAIPRAKASH POWER VENTURES LIMITED** will be held on **Saturday the 29th September, 2012 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, 2012, the Statement of Profit & Loss for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of **Shri S.S. Gupta**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri G.P. Gaur**, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri Suresh Chandra**, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Shri B.B. Tandon**, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of **Shri Manoj Gaur**, who retires by rotation and, being eligible, offers himself for re-appointment.
7. To appoint **M/s. R. Nagpal Associates, Chartered Accountants**, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

Special Business

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

8. APPOINTMENT OF DR. J.N. GUPTA AS DIRECTOR

"RESOLVED THAT Dr. J.N. Gupta be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

M.M. SIBBAL

Place : Noida
Date : 17th May, 2012

Sr. General Manager &
Company Secretary

Notes:

- (i) Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Resolution set out under item no. 8 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 Member(s) intending to send their authorized representative(s) are requested to send a duly certified copy

of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.

- (iv) All documents referred to in the Notice and accompanying Explanatory Statement, as well as the Annual Report and Annual Accounts of the subsidiary companies whose Annual Accounts have been consolidated with that of the Company, 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 **Monday the 24th September, 2012 to Saturday the 29th September, 2012 (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 addresses or Bank details to the Company's Registrar and Transfer Agent (RTA) and always quote their Folio Number 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) The dividend amount which remains unpaid and unclaimed for a period of seven years, is required to be transferred in terms of Section 205A (5) of the Companies Act, 1956 to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, the unclaimed amount in respect of final dividend declared by the Company on 12th September, 2005 shall be transferred after the expiry of seven years. In terms of the provisions of Section 205C of the Companies Act, 1956 no claim shall be made with respect to unclaimed dividend once it is transferred by the Company to IEPF. Therefore, the members who did not encash their dividend warrants may please write to the Company or its Registrar and Transfer Agents for payment before its transfer.
- (viii) Any query relating to Accounts or any other items of business set out in the Notice of the Meeting must be sent to the Company's Registered Office at JUIT Complex, Wagnaghat, 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 as **"AGM Queries - Attn. Shri M.M. Sibbal, Sr.General Manager & Company Secretary."**
- (ix) Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail 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.
- (x) **The Ministry of Corporate Affairs has taken "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 effected through e-mail to its Members. To support this green initiative of the Government in full measure, the Company is sending Annual Report electronically to the e-mail addresses of Members 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 shall be sent hard copies of Annual Report and who are desirous of receiving the communications/documents in electronic form are requested to promptly register their e-mail addresses with the Company.

- (xi) Members may please note that the Ordinary and Special Resolutions sent through Notice dated 14th March, 2012 to all Members for voting through Postal Ballot have been passed on 27th April, 2012 by requisite majority. Relevant details in this regard are covered in the Report on Corporate Governance annexed to the Directors' Report.
- (xii) 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 & DPID in all correspondence; and
 - note that no gifts/coupons shall be distributed at the Annual General Meeting.**
- (xiii) (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 Director(s) proposed to be appointed/re-appointed 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 S.S. Gupta

Shri S.S. Gupta, aged about 68 years, is a First Class Graduate in Electrical Engineering and MBA (Finance) and has vast experience in the Power Sector.

Shri S.S. Gupta, holds 120 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 S.S. Gupta does not hold the office of Director of any other company.

Shri G.P. Gaur

Shri G.P. Gaur, aged about 64 years, possess 36 years of experience in Construction and Material Management.

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 is on the Boards of Jaypee Fertilizers and Industries Limited & Himalyaputra Aviation Limited. He is also Chairman of the Audit Committee of Jaypee Fertilizers and Industries Limited.

Shri Suresh Chandra

Shri Suresh Chandra, aged about 68 years, is B.E. (Telecommunication) from University of Roorkee (now IIT, Roorkee) and has vast experience of over 44 years in Hydro-Power Development including EHV Systems

which includes Planning, Design, Erection, testing, commissioning, operation & maintenance of Hydro-Power Stations.

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

Shri Suresh Chandra does not hold the office of Director in any other company.

Shri B.B. Tandon

Shri B.B. Tandon, aged about 70 years, holds Bachelor's Degree in Law and Master's Degree in Economics from the University of Delhi. He also holds an 'Associate Certificate' from the Indian Institute of Bankers (CAIIB). Shri B.B. Tandon was a Member of the Indian Administrative Services (IAS) from 1965 to 2001. He held various positions in the Government of India and Government of Himachal Pradesh including as Principal Secretary, Power and Chairman, Himachal Pradesh State Electricity Board. He handled several key assignments in the Cabinet Secretariat, Department of Defence Production and Supplies, the Ministry of Industry and the Ministry of Mines, Government of India. Shri Tandon was the Chief Election Commissioner of India in 2006.

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

Shri B.B. Tandon is Chairman of Remuneration Committee of Precision Pipes & Profiles Limited, Adani Power Limited, Vikas Globe One Limited and Chairman of Audit Committee of Bhushan Steel Limited.

Shri B.B. Tandon is a Member of the Audit Committee of Precision Pipes & Profiles Limited, Adani Power Limited, Birla Corporation Limited, Filatex India Limited, Oriental Carbon & Chemicals Limited, VLS Finance Limited. He is Member of Remuneration Committee of Birla Corporation Limited, Dhampur Sugar Mills Limited, Exicom Tele-Systems Limited, ACB (India) Limited, Oriental Carbon & Chemicals Limited, Lanco Anapara Power Limited. He is Member of Shareholders'/Investors' Grievance Committee of VLS Finance Limited & Ambience Pvt. Limited.

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

Shri Manoj Gaur

Shri Manoj Gaur, aged about 48 years, holds a Degree in Civil Engineering from Birla Institute of Technology and Science, Pilani. Shri Manoj Gaur has over 25 years rich experience in all spheres of Corporate Management. Shri Manoj Gaur is Executive Chairman & CEO of Jaiprakash Associates Limited (JAL). He has been spearheading the implementation and operation of JAL's various Cement Plants and expansion of Cement capacities across the country and setting-up an effective marketing network. Shri Manoj Gaur is overseeing various activities of Jaypee Group such as Engineering and Construction, Hydro/Thermal Power, Real Estate, Expressways, Fertilizers, Information Technology, Hospitality, Budh International Circuit (Formula-1) and Not for Profit Education.

Shri Manoj Gaur is Chairman-cum-Managing Director of Jaypee Infratech Limited and also on the Board of Gujarat Jaypee Cement

& Infrastructure Limited, Jaypee Ganga Infrastructure Corporation Limited, Madhya Pradesh Jaypee Minerals Limited, Prayagraj Power Generation Company Limited, MP Jaypee Coal Limited, Jaypee Sports International Limited, Jaiprakash Agri Initiatives Company Limited, Jaypee Assam Cement Limited, Kanpur Fertilizers & Cement Limited, Jaypee Infra Ventures (A Private Company with Unlimited Liability), Jaypee Cement Corporation Limited, Andhra Cements Limited and Indesign Enterprises Private Limited.

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

EXPLANATORY STATEMENT

Following Explanatory Statement, pursuant to the provisions of Section 173(2) of the Companies Act, 1956 sets out the material facts relating to item no. 8 mentioned in the accompanying Notice dated 17th May, 2012.

Item 8

Dr. J.N. Gupta was appointed as Additional Director w.e.f. 14th March, 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing along with a deposit of ₹ 500/- from a Member of a Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Dr. J.N. Gupta for the office of Director at the forthcoming Annual General Meeting.

Dr. J.N. Gupta, aged about 69 years, is M.Com., Ph.D., C.A.I.I.B., D.I.F.

He served Reserve Bank of India from 1962 to 1964, as Lecturer and later as Senior Reader, Department of Commerce, V.S.S.D. College, Kanpur University, as Executive Director of U.P. Stock Exchange Association Ltd., Professor & Director of Dr. Gaur Hari Singhania Institute of Management & Research (2002-2004), Director of Jagran Institute of Management, Kanpur (2006-2007) and is presently Chief Executive Officer of Jagran Education Foundation. During last 5 years with 'Jagran', he has been instrumental in setting up professional colleges including schools by the name of Jagran in New Delhi & Noida.

Dr. J.N. Gupta is on the Board of Juggilal Kamlat Cotton Spinning and Weaving Mills Company Limited.

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

Dr. J.N. Gupta holds 500 shares in the Company.

None of the Directors, except Dr. J.N. Gupta himself, is interested in the Resolution.

The Directors commend the Resolution for the approval of Members.

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

Place : Noida
Date : 17th May, 2012

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

DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present the **Seventeenth Annual Report** together with the Audited Accounts of the Company for the year ended 31st March, 2012.

WORKING RESULTS

The working results of the Company for the year under report are as under :

(` in Crores)

| Particulars | Current Year 31.03.2012 | Previous Year 31.03.2011 |
|--|----------------------------|-----------------------------|
| Gross Revenue | 1591.40 | 709.77 |
| Less: Rebate for prompt payments | 15.71 | 11.09 |
| | 1575.69 | 698.68 |
| Add: Sale of VERs | 39.87 | 38.21 |
| Add: Other Income | 70.74 | 103.85 |
| Total Income | 1686.30 | 840.74 |
| Profit before Interest, Depreciation & Taxation | 1552.49 | 759.83 |
| Less : Interest | 859.45 | 448.44 |
| Less : Depreciation | 230.05 | 94.91 |
| | 462.99 | 216.48 |
| Less: Extra-Ordinary items (Net) | - | 10.02 |
| | 462.99 | 206.46 |
| Less: Provision for Taxation* | - | 41.35 |
| Less: Deferred Tax Charge | 61.28 | - |
| Add: Previous Year Tax Adjustment | 1.24 | - |
| Profit after Taxation | 402.95 | 165.11 |

*Current year Tax (MAT) ` 92.65 crores has been adjusted against MAT credit entitlement as per revised Schedule VI.

OPERATIONS

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

- i) 300 MW Jaypee Baspa-II Hydro-Electric Plant in Himachal Pradesh;
- ii) 400 MW Jaypee Vishnuprayag Hydro-Electric Plant in Uttarakhand; and
- iii) 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Plant in Himachal Pradesh.

Your Company is also implementing two Thermal Power Projects, namely,

- i) 1250 MW Jaypee Bina Thermal Power Plant in Madhya Pradesh in two phases comprising of Phase-I (500W) and Phase-II (750MW)
- ii) 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 quite satisfactory. The Plant Availability and Energy Generation

of each of the Plants for the Financial Year 2011-12 were as under:

| Plant/Installed Capacity | Plant Availability (%) | Net Saleable Energy Generation (Million Units) |
|--------------------------|------------------------|--|
| BASPA-II (300 MW) | 99.97 | 1221.83 |
| Vishnuprayag (400 MW) | 98.58 | 1889.20 |
| Karcham Wangtoo (1000MW) | 99.70 | 2248.12 |

300 MW Jaypee Baspa-II Hydro-Electric Plant

The average 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 ` 2.69 per unit. The generation of the energy of Baspa-II plant during the year was 1401.67 MUs including 12% Free Power to Himachal Pradesh State Electricity Board (HPSEB)/Government of Himachal Pradesh and also auxiliary consumption/transformer losses. The Net Saleable Energy during the year was 1221.83 MUs, out of which 1050.06 MUs was Primary Energy and 155 MUs was Secondary Energy and balance 16.77 MUs was supplied to HPSEB without any charges, besides their entitlement to 12% free power.

400 MW Jaypee Vishnuprayag Hydro-Electric Plant

The average tariff for the year under report for 400 MW Vishnuprayag Plant works out to ` 2.39 per unit. The total generation including 12% free Power to State Government and also auxiliary consumption/transformer losses was 2176.86 MUs. The Net Saleable Energy was 1889.20 MUs out of which Saleable Primary Energy was 1545.88 MUs and balance Saleable Secondary Energy was 343.32 MUs.

1000 MW Jaypee Karcham Wangtoo Hydro-Electric Plant

The Directors of your Company are pleased to report that Karcham Wangtoo Hydro-electric Plant, the largest operating Hydro-electric Plant in private sector in the Country, was fully commissioned on 13th September, 2011. The average tariff realised for the year under report works out to ` 3.89 per unit. The total generation including 12% free Power to State Government and also auxiliary consumption/transformer losses was 2543.13 MUs. The Net Saleable Energy was 2248.12 MUs. Aggregate Sale of energy from the plant during the financial year 2011-12 was ` 874.26 crores.

NATIONAL AWARD

The Directors are pleased to inform that Baspa-II Hydro-Electric Plant was conferred with Gold Shield for the year 2009-10 and a Silver Shield for the year 2010-11, by Ministry of Power, Government of India under the category 'Performance of Hydro-Power Stations'.

PROJECTS UNDER IMPLEMENTATION

1250 MW JAYPEE BINA THERMAL POWER PLANT

1250MW Jaypee Bina Thermal Power Plant located at Village Sirchopi, Distt. Sagar (M.P) is being implemented in two phases comprising of Phase-I (2 x 250=500MW) and Phase-II (3 x 250=750 MW). First unit of Phase-I i.e. 250 MW is expected to be commissioned in second quarter of the current financial year (2012-13) and the second unit of 250 MW in next four to six months thereafter.

Your Company shall supply 70% of the installed capacity for Phase-I to Govt. of Madhya Pradesh/MPPTCL in terms of the Power Purchase Agreement executed with them and balance power will be sold on merchant basis. An amount of around ` 2700 crores has already been incurred on the Project upto 31st March, 2012.

1320 MW JAYPEE NIGRIE SUPER THERMAL POWER PROJECT

The implementation of 1320 MW (2 X 660 MW) Jaypee Nigrie Super Thermal Power Project in Nigrie, Distt. Singrauli in Madhya Pradesh is progressing satisfactorily to achieve commissioning of both the units in the year 2014. Supplies from L&T-MHI and Larsen & Toubro Limited for Steam Generator and Steam Turbine Generator respectively are being timely received. All major statutory approvals, required at

the current stage of the project are in place. Entire requirement of 5 Million MTPA coal for the project will be met through Amelia (North) and Dongri Tal-II Coal Blocks.

The Financial Closure of the project has already been achieved. As on 31st March, 2012, an amount of approx. ` 3776 crores has been incurred on the Project.

VERIFIED EMISSION REDUCTIONS (VERs) / CERTIFIED EMISSION REDUCTIONS (CERs)

Your Company sold 11,38,515 VERs in respect of Jaypee Baspa-II Hydro-electric Plant during the year for ` 2.46 crores. In respect of Jaypee Vishnuprayag Hydro-electric Plant, sale consideration for 15,99,150 VERs was ` 37.41 crores during the year under report.

The Company's 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Plant in the State of Himachal Pradesh has submitted request for registration as Clean Development Mechanism (CDM) project with United Nations Framework Convention on Climate Change (UNFCCC) and UNFCCC decision is expected in the first quarter of the current financial year (2012-13). Upon registration as CDM project, expected amount of reduction shall be 3,541,917 metric tonnes Co₂ equivalent per annum. The Company is quite confident of grant of registration by UNFCCC. Further, the Company's 1320 MW Jaypee Nigrie Super Thermal Power Project in the State of Madhya Pradesh is likely to be eligible for CERs under Clean Development Mechanism (CDM).

DIVERSIFICATION PLAN TO SET-UP CEMENT GRINDING UNITS

The Directors are pleased to report, pursuant to approval accorded by the Members under Section 149 (2A)(b) of the Companies Act, 1956 by way of Special Resolution for commencement of new activities (passed through Postal Ballot on 21st December, 2010), have decided to diversify the Company's operations by setting-up of Cement Grinding Units at Nigrie (4 MTPA) and at Bina (2 MTPA) to optimally utilize the Fly Ash to be generated by Company's Thermal Power Plants viz. Jaypee Nigrie Thermal Power Project and Jaypee Bina Thermal Power Plant.

Necessary plans have been initiated in this regard.

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 2011-12.

SUBSIDIARY COMPANIES

The Company has following subsidiaries :

- i) Jaypee Powergrid Limited
- ii) Prayagraj Power Generation Company Limited
- iii) Jaypee Arunachal Power Limited
- iv) Sangam Power Generation Company Limited
- v) 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 Hydro-Electric Projects (3920 MW) and Thermal Power Projects (5280 MW) besides an operative 217 Km (including LILO) long Transmission System.

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

i) 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) has set up 217 Km long (including LILO) 400 Kv Quad Bundle Conductor Double Circuit Transmission System 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.

The Directors of your Company are pleased to report that Transmission system was commissioned on 6th March, 2012 and has been put to commercial operations w.e.f. 1st April, 2012. Pending capitalization, capital expenditure as on 31st March, 2012 was ` 976 crores.

ii) 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 660 MW each) in Tehsil Bara of District Allahabad, Uttar Pradesh.

All statutory/regulatory approvals required for the current stage of the project are in place. Financial Closure for entire debt of ` 8085 crores has been achieved. The supplies from BHEL for Boiler, Turbine and Generator are in progress and the works on the project are progressing satisfactorily.

An expenditure of approx. ` 2622 crores has been incurred on the project till 31st March, 2012.

iii) 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, Central Electricity Authority (CEA) concurrence for Detailed Project Report and Defence clearance has already been obtained. Detailed Project Report for this project has been concurred by CEA with the estimated completion cost of ` 19,990.74 crores. JAPL is in the process of obtaining clearance from the Ministry of Environment and Forest.

For 500 MW Hirong Hydro-electric Project, Detailed Project Report has been submitted to CEA and is in advance stage of concurrence.

While an amount of around ` 206 crores has been spent on the 2700 MW Lower Siang Hydro-electric Project till 31st March, 2012, and approx. ` 28 crores has been spent on 500 MW Hirong Hydro-electric Project till 31st March, 2012.

iv) Sangam Power Generation Company Limited (SPGCL)

Sangam Power Generation Company Limited was acquired from Uttar Pradesh Power Corporation Limited through competitive bidding process, for the implementation of 1980 MW (3 x 660 MW) Thermal Power Project in Tehsil Karchana of district Allahabad, Uttar Pradesh. Conveyance Deed of land was executed but physical possession is yet to be handed over. In view of order of Hon'ble High Court of judicature at Allahabad, quashing the notification issued by Uttar Pradesh Government for acquisition of land, further implications of the same are being examined by the State Government/Company.

v) Jaypee Meghalaya Power Limited (JMPL)

Jaypee Meghalaya Power Limited was incorporated by your Company as its wholly owned subsidiary to implement 270 MW Umngot H.E.P. in the Umngot River Basin of Meghalaya and 450 MW Kynshi-II Hydro-Electric Power Projects in the Kynshi River Basin of Meghalaya 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.

The works on the project are in initial stages. While an amount of around ` 5.80 crores has been spent on Kynshi-II Hydro-electric Project and ` 1.35 crores on Umngot Hydro-electric Project till 31st March, 2012.

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 the 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 (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 17th May, 2012 had decided for not attaching the Balance Sheets in respect of the subsidiaries of the Company. Accordingly, the requisite information for each subsidiary company has been disclosed in Note no. 45 to consolidated notes to the financial statements for the year ended 31st March, 2012. The annual accounts of the subsidiary companies and the related detailed information will be made available to the Members requesting for 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 Project of the subsidiaries of your Company have bright future.

OUTLOOK

Keeping in view the performance of three Hydro-electric Plants of the Company, viz. 300 MW Baspa-II Hydro-electric Plant, 400 MW Vishnuprayag Hydro-electric Plant, 1000 MW Karcham Wangtoo Hydro-electric Plant and the expected Commissioning of first phase of 500 MW of Jaypee Bina Thermal Power Plant during the current financial year (2012-13) and that of 1320 MW Jaypee Nigrie Super Power Plant in 2014, the Company's further expansion in Hydro Power as also in Thermal Power through its subsidiaries and the diversification plans to setup Cement Grinding Units, the Directors of your Company envisage a bright future outlook for the Company.

DIRECTORATE

During the year under report, IDBI Bank Ltd. withdrew the nomination of Shri B.K. Batra as Nominee Director with effect from 13th January, 2012. The Board places on record its appreciation for the valuable contribution of Shri B.K. Batra, during his tenure as Director on the Board.

Shri Subroto Gupta was nominated by IDBI Bank Ltd. as their nominee on the Board w.e.f. 17th February, 2012.

Dr. J.N. Gupta was co-opted on the Board as Non-Executive Independent Director w.e.f. 14th March, 2012. Proposal for his appointment has been included in the Notice of Annual General Meeting for your approval.

Shri Manoj Gaur, Shri S.S. Gupta, Shri G.P. Gaur, Shri Suresh Chandra, and Shri B.B. Tandon 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 Company is complying the Corporate Governance norms laid down under Clause 49 of the Listing Agreement with the Stock Exchanges. Further, the Company is implementing in a phased manner, recommendations contained in the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India. The status of same is given in Report on Corporate Governance under the head "Voluntary Guidelines 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 in respect of the Audited Annual Accounts for the year ended 31st March, 2012 that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- ii) 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, 2012 and the profit of the Company for that period;
- iii) 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) 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 and forms an integral part of this Report.

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

Particulars with respect to 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, 2012, are annexed and form an integral part of this Report.

AUDITORS' REPORT

The Auditors' Report to the shareholders on the Accounts of the Company for the Financial Year ended 31st March, 2012 does not contain any qualification or adverse remark.

The observations of Auditors' and Notes to the Financial Statements are self-explanatory.

STATUTORY 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 had mandated certain specified industries including an Electricity Industry, to get the Cost Accounts audited. Accordingly, the Board of Directors, had appointed M/s. Kabra & Associates, 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, 2011 the Cost Auditors would file their Report to the Central Government within prescribed time.

Certificate under section 224(1B) of the Companies Act, 1956 and written confirmation about their independence and arm's length relationship with the Company have been obtained from M/s. Kabra and Associates, Cost Auditors, as pre-requisite for their re-appointment as Cost Auditors for the Financial Year 2012-13.

For the Financial Year 2012-13, the Board of Directors of the Company have re-appointed, on the recommendations of the Audit Committee, M/s. Kabra & Associates, as Cost Auditors of the Company for auditing the Cost Accounting Records relating to Electricity.

EMPLOYEES RELATIONS

Employees relations continued to be cordial throughout the year. The Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the Company worked at all sites/offices and achieved commendable progress.

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their sincere appreciation and gratitude to various Departments and Undertakings of the Central Government, Governments of Himachal Pradesh, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Arunachal Pradesh & Meghalaya, HPSEB, APTEL, CERC, HPERC, MPERC, UPERC, UPPCL, Financial Institutions, Banks, Rating Agencies, SBI Capital Markets Limited and other authorities for their continued co-operation and support to the Company.

Your Directors sincerely acknowledge the faith and confidence reposed by the members in the Company.

On behalf of the Board

Place : Noida

Date : 17th May, 2012

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 (₹), 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 ₹ 60,00,000/- per annum or more:-
- Shri Suren Jain, Managing Director & CFO, ₹ 1,77,37,445/-, BE (Production), 41 years, 19 years, 14th December, 2007, Jaypee Karcham Hydro Corporation Ltd.
 - Shri R.K. Narang, Whole-time Director, ₹ 84,24,000/-, BE (Mechanical) and Diploma in Management, 63 years, 38 years, 16th May, 2000, IFCI Ltd.

- Shri Suresh Chandra, Whole-time Director, ₹ 82,32,863/-, BE (Telecommunication), 68 years, 47 years, 11th January, 2008, Jaypee Ventures Ltd.

- b) Employed for part of the year and in receipt of remuneration aggregating ₹ 5,00,000/- or more per month:-

- Lt. General (Retd.) Shri Ravindra Mohan Chadha, Whole-time Director (JPVL) and Whole-time Director (erstwhile Jaypee Karcham Hydro Corporation Ltd. upto 11.08.2011), ₹ 77,49,514/- (JPVL & JKHCL), BE (Civil), Masters in International Relations, Masters Diploma in Business Administration and Diploma in Foreign Trade, 70 years, 44 years, 12th August, 2011, Jaypee Karcham Hydro Corporation Ltd.
- Shri Dharam Paul Goyal, Whole-time Director (JPVL) and Managing Director (erstwhile Jaypee Karcham Hydro Corporation Ltd. upto 11.08.2011), ₹ 77,02,420/- (JPVL & JKHCL), ME(WRD), BE(Civil), 65 years, 46 years, 12th August, 2011, Jaypee Karcham Hydro Corporation Ltd.
- Shri Praveen Kumar Singh, Whole-time Director (JPVL) and Whole-time Director (erstwhile Jaypee Karcham Hydro Corporation Ltd. upto 11.08.2011), ₹ 1,30,13,682/- (JPVL & JKHCL), BE (Civil), 40 years, 15 years, 12th August, 2011, Jaypee Karcham Hydro Corporation Ltd.

Notes:

- Gross remuneration includes salary, house rent allowance and other perquisites like medical reimbursement, leave travel assistance, Company's contribution towards provident fund, gratuity etc.
- The Managing/Whole-time Directors hold their offices for a period of 5 years from the date of their respective appointments.
- The nature employment of employees is regular and is governed as per service rules of the Company. They perform such managerial duties in their respective area of expertise as assigned from time to time.
- 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 pressure system, cooling water pumps, drainage and dewatering, ventilation, air conditioning, operation of gates, lighting purposes and operation of Unit Auxiliaries, etc. Effective energy conservation measures have been taken in design of the system and effective steps are being taken in ensuring that electricity consumption in the 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, Vishnuprayag and Karcham Wangtoo Hydro-electric plants, every effort has been made to ensure that the plant corresponds to latest technology. Further, for proper maintenance of the plant, the latest state-of-the-art SCADA, Digital Governor and Digital Excitation System have been provided. Further, online monitoring instruments have been used, which help monitor the health of the equipment as well as detect the fault at incipient stage.

The nature of the plant does not require any expenditure on Research & Development (R&D) and no specific expenditure on R&D is envisaged.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of Foreign Exchange expenditure and earnings are given in Note no. 33 of notes to the financial statement for the year ended 31st March, 2012.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The Board of Directors as on 31st March, 2012 consisted of 19 Directors out of which 10 are Independent Directors. As per Clause 49 of the Listing Agreement, where the Chairman of the Board is an Executive Director or related to Promoter, at least half of the Board should comprise of Independent Directors.

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, 2012, are given below :

| Name & Designation of the Directors | 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 |
| Non-Executive/ Non-Independent | | | | | |
| Shri Manoj Gaur, Chairman | Yes | 5 | 13 | - | - |
| Shri G.P. Gaur, Director | No | 5 | 2 | - | 1 |
| Executive | | | | | |
| Shri Sunil Kumar Sharma, Vice Chairman and Chief Executive Officer | No | 5 | 10 | 1 | 5 |
| Shri Suren Jain, Managing Director and Chief Financial Officer | Yes | 5 | 6 | 3 | - |
| Shri D.P. Goyal, Whole-time Director | Yes | 3 | 1 | - | - |
| Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha, Whole-time Director | Yes | Nil | - | - | - |
| Shri R. K. Narang, Whole-time Director | Yes | 5 | - | - | - |
| Shri Suresh Chandra, Whole-time Director | No | 4 | - | - | - |
| Shri Praveen Kumar Singh, Whole-time Director | No | 1 | 1 | - | - |
| Non-Executive/Independent | | | | | |
| Shri B.K. Talaria | Yes | 5 | 3 | 1 | 1 |
| Shri R.N. Bhardwaj | No | 5 | 9 | 4 | 3 |
| Shri B. B. Tandon | No | 5 | 13 | 7 | 1 |
| Shri A.K. Goswami | No | 4 | 3 | 2 | 1 |
| Shri Subroto Gupta (IDBI Nominee) | N.A. | Nil | 1 | 2 | - |
| Dr. R. C. Vaish | No | 5 | 7 | 3 | 1 |
| Shri S.C. Bhargava | No | 3 | 10 | 4 | - |
| Dr. R.L. Gupta | No | 5 | - | - | - |
| Shri S. S. Gupta | No | 5 | - | - | - |
| Dr. J.N. Gupta | N.A. | Nil | 1 | - | 1 |

Changes in the Board during FY 2011-12

- i) Shri B.K. Batra (IDBI Nominee) ceased to be the Director of the Company w.e.f. 13th January, 2012 upon his withdrawal of nomination by IDBI Bank Ltd. He attended two Board Meetings from 1st April, 2011 to 13th January, 2012.
- ii) Shri Subroto Gupta was appointed as a Nominee Director of IDBI Bank Ltd. w.e.f. 17th February, 2012 in place of Shri B.K. Batra.

- iii) Dr. J.N. Gupta was appointed as an Additional Director w.e.f. 14th March, 2012.

Notes:

- i) *Other Directorships of only Indian Public Limited Companies have been considered in terms of provisions of the Companies Act, 1956.
- ii) Committee positions of only two Committees namely Audit Committee and Investors'/Shareholders' Grievance Committee in Public Limited Companies have been considered pursuant to Clause 49 of Listing Agreement.
- iii) None of the Directors of the Company is related inter-se, in terms of section 2(41) and section 6 read with schedule 1A of the Companies Act, 1956.

Number of Equity Shares of the Company held by Directors as on 31st March, 2012 are tabulated below :

| Name of Directors | Designation | No. of Equity Shares |
|---|-------------------------|----------------------|
| Shri Manoj Gaur | Chairman | 41,400 |
| Shri Sunil Kumar Sharma | Vice-Chairman & CEO | 5,700 |
| Shri Suren Jain | Managing Director & CFO | 16,700 |
| Shri B.K. Taparia | Director | 5,000 |
| Shri R.N. Bhardwaj | Director | - |
| Shri B. B. Tandon | Director | - |
| Shri A.K. Goswami | Director | - |
| Shri S.C. Bhargava | Director | - |
| Dr. R.C. Vaish | Director | - |
| Shri Subroto Gupta | Director (IDBI Nominee) | - |
| Shri S.S. Gupta | Director | 120 |
| Dr. J.N. Gupta | Director | 500 |
| Shri G.P. Gaur | Director | 25,000 |
| Dr. R.L. Gupta | Director | 12,850 |
| Shri D.P. Goyal | Whole-time Director | 2,850 |
| Lt.Gen. (Retd.) Shri Ravindra Mohan Chadha | Whole-time Director | 2,850 |
| Shri R.K. Narang | Whole-time Director | 4,850 |
| Shri Suresh Chandra | Whole-time Director | 4,850 |
| Shri Praveen Kumar Singh | Whole-time Director | 2,50,000 |

None of Directors is holding any Convertible instrument of the Company.

Number of Board Meetings held and dates thereof

During the Financial Year 2011-12, five meetings of the Board of Directors were held. The meetings were held on 14th May, 2011, 11th August, 2011, 12th November, 2011, 4th February, 2012 and 14th March, 2012. The maximum time gap between two meetings was not more than four calendar months.

The details of attendance of the Directors at the Board Meetings are as under :

| Sl.No. | Date | Board Strength | Attendance (Members) |
|--------|---------------------|----------------|----------------------|
| 1 | 14th May, 2011 | 18 | 16 |
| 2 | 11th August, 2011 | 16 | 14 |
| 3 | 12th November, 2011 | 18 | 15 |
| 4 | 4th February, 2012 | 17 | 15 |
| 5 | 14th March, 2012 | 19 | 13 |

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. 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 have 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 viz www.jppowerventures.com

The Members of the Board and Senior Management Personnel have, on 31st March, 2012 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 has been constituted by the Board comprising of three 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 keeping with those contained under Clause 49 of the Listing Agreement and the Act.

Four meetings of the Committee were held during the year i.e. on 14th May, 2011, 11th August, 2011, 12th November, 2011 and 4th February, 2012.

The Audit Committee, inter-alia, reviews :

- Financial Statements before the submission to the Board for approval
- Annual Budget and Variance Reports.
- Significant related party transactions.
- Audit, Statutory Reports and Internal Audit Reports.
- Recommendations for appointment of Statutory and Cost Auditors.
- Appointment and remuneration of Internal Auditors.
- Management discussion and analysis of financial condition and results of operations.
- Review of Financial Statements/Investments in subsidiary companies.

The constitution of the Audit Committee and attendance 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) | 3 | 2 |
| Shri R.N. Bhardwaj, Member | 3 | 3 |
| Shri B.B. Tandon, Member | 4 | 4 |

Note :

*Shri B.K. Batra ceased to be the Director of the Company w.e.f. 13th January, 2012 upon withdrawal of nomination by IDBI Bank Limited. Consequently, he ceased to be member of the Audit Committee.

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 Independent Directors. Only one meeting of the Remuneration Committee was held on 11th August, 2011.

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

| Name & Position | 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 |
| **Shri S.C. Bhargava, Member | - | - |

Notes :

*Shri B.K. Batra ceased to be the Director of the Company w.e.f. 13th January, 2012 upon withdrawal of nomination by IDBI Bank Limited. Consequently, he ceased to be member of the Remuneration Committee.

**Shri S.C. Bhargava was appointed as a member of Remuneration Committee w.e.f. 4th February, 2012.

Details of Remuneration paid to all the Directors

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

The details of salary and perquisites paid to Executive Directors for the year ended 31st March, 2012 are as under:

| Name | Designation | Salary (₹) | Perquisites Including P.F. (₹) | Total (₹) |
|--|-------------------------|-------------|--------------------------------|-------------|
| Shri Sunil Kumar Sharma | Vice Chairman & CEO | # | # | # |
| Shri Suren Jain | Managing Director & CFO | 1,42,27,200 | 35,10,245 | 1,77,37,445 |
| Shri Dharam Paul Goyal | Whole-time Director | 69,53,419 | 7,49,001 | 77,02,420 |
| Lt. Gen (Retd.) Shri Ravindra Mohan Chadha | Whole-time Director | 67,39,026 | 10,10,488 | 77,49,514 |
| Shri R.K. Narang | Whole-time Director | 67,39,200 | 16,84,800 | 84,24,000 |
| Shri Suresh Chandra | Whole-time Director | 69,12,000 | 13,20,863 | 82,32,863 |
| Shri Praveen Kumar Singh | Whole-time Director | 1,17,88,505 | 12,25,177 | 1,30,13,682 |

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 (JAL) and draws remuneration from JAL.

b) Non-Executive Directors

The Company has not paid any remuneration to Non-Executive Directors except the sitting fee @ ₹ 20,000/- per meeting for attending the meetings of the Board of Directors and its Committees thereof held during the Financial Year 2011-12.

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

The details of the sitting fee paid to the Non-Executive Directors of the Company during the Financial Year 2011-12 are as under:

| Name of the Director | Designation | Total sitting fee paid (₹) |
|----------------------|-------------|----------------------------|
| Shri Manoj Gaur | Chairman | 1,00,000 |
| **Shri S.K. Jain | Director | 20,000 |
| Shri B.K. Taparia | Director | 2,00,000 |

| Name of the Director | Designation | Total sitting fee paid (₹) |
|--------------------------|-------------|----------------------------|
| Shri A.K. Goswami | Director | 1,40,000 |
| Shri R.N. Bhardwaj | Director | 1,60,000 |
| Shri S.C. Bhargava | Director | 60,000 |
| *Shri B.K. Batra | Director | 1,00,000 |
| Dr. R.C. Vaish | Director | 1,00,000 |
| **Dr. D.G. Kadkade | Director | 60,000 |
| Shri G.P. Gaur | Director | 80,000 |
| Dr. R.L. Gupta | Director | 2,00,000 |
| Shri B.B. Tandon | Director | 1,80,000 |
| Shri S.S. Gupta | Director | 1,20,000 |
| Shri Praveen Kumar Singh | Director | 20,000 |

Notes:

- i. Sitting Fee represents payment to the Directors for attending meetings of the Board and Committees thereof.
- ii. *Shri B.K. Batra ceased to be the Director of the Company w.e.f. 13th January, 2012 consequent upon withdrawal of nomination by IDBI Bank Limited. Sitting Fee in respect of meetings attended by Shri B.K. Batra was paid directly to IDBI.
- 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 Praveen Kumar Singh was paid sitting fee in respect of Board Meeting held prior to his appointment as Whole-time Director.

There were no other pecuniary relationship or transactions with the Directors vis-à-vis the Company during the year.

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee comprises of Dr. R.L. Gupta (Chairman), Shri D.P. Goyal 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, five Meetings of the Committee were held on 24th May, 2011, 6th August, 2011, 9th September, 2011, 1st October, 2011 and 16th March, 2012 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 | 5 | 5 |
| *Dr. D.G. Kadkade, Member | 2 | 2 |
| Shri R.K. Narang, Member | 5 | 2 |
| **Shri D.P. Goyal, Member | 3 | 3 |

Notes:

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

The Company received 90 investors' references during the Financial Year 2011-12 and all the 90 investors' references were addressed/ resolved by 31st March, 2012. There were no pending investors' references as on 31st March, 2012.

7. SUBSIDIARY COMPANIES

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

| Name of the Company | Percentage Holding |
|--|--------------------|
| Jaypee Powergrid Limited | 74% |
| Jaypee Arunachal Power Limited | 100% |
| Sangam Power Generation Company Limited | 100% |
| Prayagraj Power Generation Company Limited | 100% |
| Jaypee Meghalaya Power Limited | 100% |

The Company has no material non-listed Indian subsidiary company in terms of Explanation 1 to Sub clause III of Clause 49 of the Listing Agreement and hence is not required to nominate an Independent Director of the Company on the Board of any subsidiary.

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 statement 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 has Risk Management Policy in place and manages risks as an integral part of its decision making process.

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 17th May, 2012.

10. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are mentioned below :

| Year | 2008-09 | 2009-10 | 2010-11 |
|----------------------|--|--|--|
| Date | 18th August, 2009 | 24th Sept., 2010 | 30th Sept., 2011 |
| Time | 11.00 A.M. | 11.00 A.M. | 11.00 A.M. |
| Venue of the Meeting | JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.) | JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.) | JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan (H.P.) |

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

I) Financial Year 2008-09

- Resolution under Section 81 of the Act 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 ` 1500 crore in Indian Rupees or equivalent in any foreign currency.
- Resolution under Section 21 of the Act regarding change of name from Jaiprakash Hydro-Power Limited to Jaiprakash Power Ventures Limited.

II) Financial Year 2009-10

No Special Resolution was passed in the Annual General Meeting.

III) Financial Year 2010-11

No Special Resolution was passed in the Annual General Meeting.

DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year ended 31st March, 2012, 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, 2011. The Board of Directors of the Company, at its meeting held on 14th March, 2012 had appointed Scrutinizer and Alternate Scrutinizer for conducting Postal Ballot in a 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 :

Resolutions passed on 27th April, 2012

| Particulars | Details/Dates |
|--|--|
| Date of Board meeting | 14th March, 2012 |
| Scrutinizer appointed by the Board of Directors | Shri V.P.Kapoor, FCS, AICWA, LL.B, Practising Company Secretary |
| Alternate Scrutinizer appointed by the Board of Directors | Shri Vishal Lochan Aggarwal, M.Com., ACS, LL.B, Practising Company Secretary |
| Date of Notice seeking Shareholders' approval | 14th March, 2012 |
| Date of completion of Dispatch of Notice | 26th March, 2012 |
| Last Date of receipt of duly filled Postal Ballot Forms | 25th April, 2012 |
| Date of submission of Scrutinizer's report to the Chairman | 26th April, 2012 |
| Date of declaration of Result | 27th April, 2012 |

Particulars of Resolutions Passed

| Resolution No. | Particulars | Whether Ordinary/Special |
|----------------|---|--------------------------|
| 1. | Raising of funds upto aggregate amount of ` 3500 crore through QIP/IPP/ ECB with rights of conversion into shares / FCCBs/ADRs/GDRs/FPO/OCPS/CCPS etc. pursuant to Section 81 of the Act. | Special |
| 2. | Creation of Security, pursuant to Section 293(1)(a) of the Act. | Ordinary |

Voting Pattern

| Particulars | Total Votes | Total Valid Votes | Total Valid votes cast in favour | Total Valid votes cast against |
|--------------|---------------|-------------------|----------------------------------|--------------------------------|
| Resolution 1 | 2,624,757,123 | 2,400,553,846 | 2,400,387,253 | 166,593 |
| Resolution 2 | 2,624,757,123 | 2,400,525,500 | 2,400,360,277 | 165,223 |

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), Central Depository Services (India) Limited (CDSL) & physical shares and the total issued and listed capital. The audit 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

i) Financial Results

The quarterly, half-yearly and annual results were published in daily Newspapers which included Economic Times, Business Standard, Financial Express and Regional Language Newspapers (Hindi) in Divya Himachal and Himachal Times. The same were sent to Stock Exchanges and were also displayed on the website of the Company, www.jppowerventures.com.

ii) Website

The Company's website www.jppowerventures.com contains a separate dedicated section 'Investor Information' where shareholders information is available. Annual Report of the Company and its subsidiaries thereof, Notices of Postal Ballot, Board Meeting etc. are regularly updated on the website.

iii) NSE Electronic Application Processing System (NEAPS)

NEAPS is a web based application designed by NSE where Corporates are required to upload the prescribed information on the website for viewing by the investors. The Company is electronically filing the Compliance Report on Corporate Governance and Shareholding Pattern on quarterly basis as prescribed by NSE on NEAPS.

iv) SEBI Complaints Redress System (SCORES)

SEBI has designed a centralised Web-based system, www.scores.gov.in wherein the investors can lodge their complaints and can view the status of their complaints being replied to by the respective Company. In compliance thereof, the Company is regularly uploading the 'Action taken Report' on the said website in respect of the investors' references received, if any.

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 : 0120-4609355
Fax : 0120-4609464

15. GENERAL SHAREHOLDERS' INFORMATION

| 17th Annual General Meeting | |
|------------------------------|--|
| Day | Saturday |
| Date | 29th September, 2012 |
| Time | 11.00 A.M. |
| Venue | JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat - 173 215, Distt. Solan (H.P.) |
| Dates of Book Closure | 24th September, 2012 to 29th September, 2012 (both days inclusive) |

16. FINANCIAL CALENDAR

Details of announcement of Financial Results for different periods during the financial year 2011-12 are as under:-

| Results | Announced on |
|---|---------------------|
| For 1st Quarter ended 30th June, 2011 | 11th August, 2011 |
| For 2nd Quarter ended 30th September, 2011 | 12th November, 2011 |
| For 3rd Quarter ended 31st December, 2011 | 4th February, 2012 |
| For 4th Quarter/Year ended 31st March, 2012 | 17th May, 2012 |

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, 2012 were announced on 17th May, 2012.

17. DIVIDEND

For the current Financial Year 2011-12, 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 BSE Ltd.

Stock Code

The Stock Code of the Equity shares listed on the Stock Exchanges, are as under :

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

Debt Securities

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

- i) 14049 Zero Coupon Secured Redeemable Non-convertible Debentures of ` 10 lac each privately placed with ICICI Bank Ltd. stands listed at BSE Ltd. ; and
- ii) 159500 Zero Coupon Secured Redeemable Non-convertible Debentures of ` 1 lac each privately placed with ICICI Bank Ltd. stands listed at BSE Ltd.

| Quantity | ISIN No. | Scrip code |
|--|--------------|------------|
| 14049 (due for redemption on 31st March, 2013) | 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 Financial Year 2012-13.

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 |

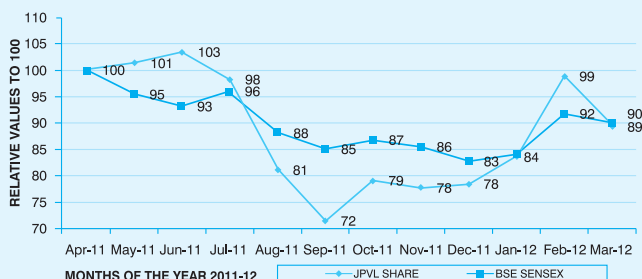
19. MARKET PRICE DATA

The high and low of the share price of the Company during each month of financial year 2011-12 at BSE, NSE and BSE Sensex were as under :

| Month | Share Price at BSE (₹) | | Share Price at NSE (₹) | | BSE Sensex (₹) | |
|-------------|------------------------|-------|------------------------|-------|----------------|-----------|
| | High | Low | High | Low | High | Low |
| | 2011 | | | | | |
| April | 51.30 | 41.60 | 51.30 | 41.80 | 19,811.14 | 18,976.19 |
| May | 49.70 | 44.55 | 49.95 | 44.50 | 19,253.87 | 17,786.13 |
| June | 54.00 | 42.10 | 54.10 | 42.20 | 18,873.39 | 17,314.38 |
| July | 48.55 | 42.75 | 48.80 | 42.00 | 19,131.70 | 18,131.86 |
| August | 44.00 | 31.45 | 44.30 | 31.45 | 18,440.07 | 15,765.53 |
| September | 35.25 | 31.25 | 35.25 | 31.20 | 17,211.80 | 15,801.01 |
| October | 40.00 | 33.50 | 39.90 | 33.00 | 17,908.13 | 15,745.43 |
| November | 39.10 | 33.20 | 39.00 | 33.65 | 17,702.26 | 15,478.69 |
| December | 39.40 | 33.50 | 39.45 | 33.50 | 17,003.71 | 15,135.86 |
| 2012 | | | | | | |
| January | 44.60 | 33.30 | 44.50 | 33.30 | 17,258.97 | 15,358.02 |
| February | 49.70 | 42.20 | 49.80 | 42.15 | 18,523.78 | 17,061.55 |
| March | 45.00 | 38.10 | 45.00 | 38.00 | 18,040.69 | 16,920.61 |

Performance of Share Price of the Company in comparison to BSE – Sensex

JPVL SHARE PERFORMANCE vs 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: jpvl.investor@jalindia.co.in

21. SHARE TRANSFER SYSTEM

The Board has delegated the power of re-materialisation of shares, transfer and transmission, splitting/consolidation of share certificates and issue of duplicate share certificates etc. to Shareholders'/Investors' Grievance Committee. The Meeting of the Committee are periodically held to approve the requests of the shareholders.

22. DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding according to nominal value of shareholding as on 31st March, 2012, was as under:

| Nominal Value of Shareholding (₹) | Shareholders | | Shares | |
|-----------------------------------|---------------|---------------|-------------------|---------------|
| | Number | % to Total | Number | % to Equity |
| Upto 10,000 | 316735 | 99.736 | 106812412 | 4.069 |
| 10,001 - 50,000 | 670 | 0.211 | 13716415 | 0.523 |
| 50,001 - 1,00,000 | 76 | 0.024 | 5592032 | 0.213 |
| 1,00,001 - 2,00,000 | 30 | 0.009 | 4273548 | 0.163 |
| 200001 - 300000 | 16 | 0.005 | 3889891 | 0.148 |
| 300001 - 400000 | 5 | 0.002 | 1775314 | 0.068 |
| 400001 -500000 | 5 | 0.002 | 2129252 | 0.081 |
| 500001 and above | 37 | 0.011 | 2486568259 | 94.735 |
| Total | 317574 | 100.00 | 2624757123 | 100.00 |

ii) Category wise Shareholding as on 31st March, 2012 :

| Held by | Percentage of holding |
|------------------------------|-----------------------|
| Promoters and Promoter Group | 76.11 |
| Banks/Mutual Funds/FI/FILs | 4.80 |
| NRIs | 0.06 |
| Indian Public | 19.03 |
| Total | 100.00 |

The Company is taking necessary steps to increase the public shareholding to 25% within the permissible time.

23. DEMATERIALISATION OF SHARES AND LIQUIDITY

The equity shares of the Company are in compulsory dematerialized segment and are available in the Depository system of both NSDL and CDSL.

No. of shares held in dematerialized and physical mode as on 31st March, 2012 :

| Particulars | No. of shares | Percentage of total issued capital |
|-------------------------------------|-------------------|------------------------------------|
| Held in dematerialized form in CDSL | 161842236 | 6.17 |
| Held in dematerialized form in NSDL | 2462894451 | 93.83 |
| Physical | 20436 | - |
| Total | 2624757123 | 100.00 |

The annual custody fees for the financial year 2012-13 have been paid to NSDL and CDSL, the Depositories.

The Company's equity shares are liquid and actively traded. The shares of the Company are in 'Futures and Options' segment on NSE & BSE.

24. i) UNCLAIMED DIVIDEND/APPLICATION MONEY

- There were no unclaimed/unpaid dividends required to be transferred during the year, pursuant to Section 205A of the Act, to the Investors' Education and Protection Fund (IEPF) of the Central Government.
- In respect of Equity Shares issued in Public Offer held in 2005, an amount of ₹15,70,500 lying in Refund Account of investors who applied for shares for allotment but had remained unclaimed and unpaid for a period of seven years from the date of their became due for payment, was

transferred to the Investor Education and Protection Fund (IEPF) of the Central Government in terms of Section 205C of the Companies Act, 1956 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

ii) UNCLAIMED SHARES

In terms of Clause 5A of the Listing Agreement and in compliance thereof, an Unclaimed Shares Demat Suspense Account was opened with Alankit Assignments Limited and 34,900 Equity Shares belonging to 119 investors were transferred to the Account. The abovesaid unclaimed shares of the investors could not be credited to the Account because of 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.

The information requiring disclosure under Clause 5A of the Listing Agreement is as under :

| Sl. No | Particulars | Shareholders/ Equity Shares |
|--------|--|--|
| 1 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 119 shareholders representing 34,900 equity shares |
| 2 | Number of shareholders who approached issuer for transfer of shares from suspense account during the year | Nil |
| 3 | Number of shareholders to whom shares were transferred from suspense account during the year | Nil |
| 4 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | 119 shareholders representing 34,900 equity shares |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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

Foreign Currency Convertible Bonds issued by the Company during the Financial Year 2009-10 were USD 200 Million and they continue to be outstanding as on date. Brief details thereof are given below :

| S.No. | Particulars | Key Details |
|-------|---|-------------------------|
| 1 | Aggregate Value | USD 200 Million |
| 2 | Date of Issue | 12.02.2010 |
| 3 | Redemption due on | 13.02.2015 |
| 4 | Applicable Interest Rate | 5% on semi annual basis |
| 5 | Pre-agreed Conversion price per share | ₹ 85.8139 |
| 6 | Pre-agreed Conversion exchange rate | ₹ 46.16 per USD |
| 7 | FCCBs Outstanding as on 31st March, 2012 | USD 200 Million |
| 8 | No. of shares of ₹ 10/- each to be issued upon conversion of outstanding FCCBs, if opted by the holder thereof. | 107535026 |

26. PROJECT/PLANT LOCATIONS

The Company is primarily 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 Plant | Himachal Pradesh |
| Hydro Power | Jaypee Vishnuprayag Hydro-electric Plant | Uttarakhand |
| Hydro Power | Jaypee Karcham Wangtoo Hydro-electric Plant | Himachal Pradesh |
| Thermal Power | Jaypee Nigrie Super Thermal Power Project | Madhya Pradesh |
| Thermal Power | Jaypee Bina Thermal Power Plant | Madhya Pradesh |
| Cement Grinding Unit | Jaypee Nigrie Cement Grinding Plant | Madhya Pradesh |

27. ADDRESS FOR CORRESPONDENCE

Company's address:

Registered Office : JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat- 173 215, Distt. Solan (H.P.)
 Corporate Office : Sector-128, Noida-201 304 (U.P.)
 Distt. Gautam Budh Nagar.
 E-mail: jpvl.investor@jalindia.co.in
 Head Office : 'JA Annexe', 54, Basant Lok, Vasant Vihar, New Delhi-110 057
 Registrar & Transfer Agent's Address : Alankit Assignments Limited, 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 holding shares in electronic form may register their ECS details with their respective Depository Participants and Shareholders holding shares in physical form may register their ECS details with the Company's Registrar and Share Transfer Agent.

29. I) NON-MANDATORY REQUIREMENTS

- i) The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in para 5 of this report.
- ii) 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.
- iii) 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.
- iv) 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.

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 rest of the guidelines in a phased manner.

i) Independent Directors

Independent Directors have the option and freedom to interact with the Management periodically as and when they deem necessary. Detailed Certificate of Independence is obtained from Independent Directors on an annual basis.

ii) Remuneration of Directors

- a) **Remuneration to Non-Executive Directors** - Sitting Fee of ₹ 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 Act.
- b) 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

- a) **Constitution** : The Company has an Audit Committee comprising of three 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.
- b) **Provision of Information and Back-up support** : Audit Committee is provided with back office support and other resources from 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 Internal, Cost and Statutory Auditors as well as Management.
- c) **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, monitoring and reviewing significant Related Party Transactions etc.
- d) **System to ensure compliance with laws**: Through a proper frame work including with the assistance of Auditors, Internal Auditors and Cost Auditors, the Audit Committee conducts a review of the effectiveness of the Company's system of internal controls and report the same to the shareholders.

iv) Auditors

- a) **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 Auditors of the Company. While discharging its duty, the Audit Committee examines and reviews the documentation and independence of the firm of Auditors before recommending

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

- b) **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.
- c) **Certificate of Independence** : Audit Committee examines and reviews the documentation and the certificate for proof of independence and arm's length relationship of the Auditor and the Audit firm.
- d) **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 interact with the Internal Auditors, who are invited to attend the meetings of the Audit Committee.
- v) **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

- i) 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 Financial Statements.
- ii) 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.
- iii) 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.
- iv) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- v) The Company 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 for the year ended 31st March, 2012.

Place : Noida
Date : 17th May, 2012

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 31st March, 2012, 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
Partner

Place : Noida
Date : 17th May, 2012

Membership No.81594

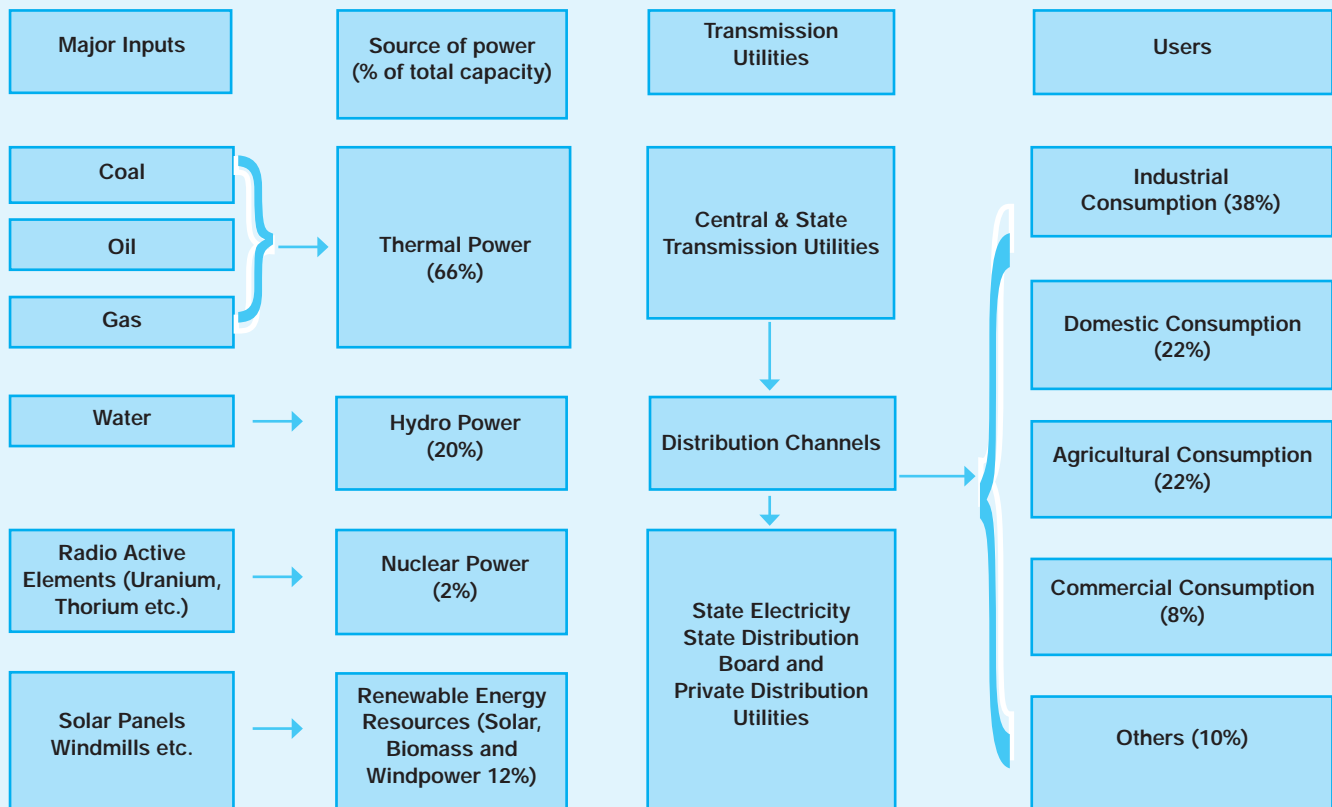
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of Directors' Report for the year ended 31st March, 2012)

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



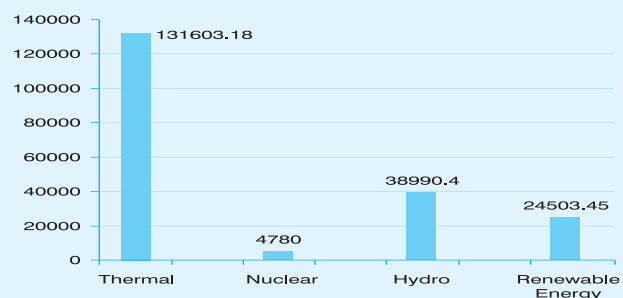
Electricity Demand

In a global perspective considering India's likely energy demand in 2031-32, one sees that China's current energy consumption is 1100-1200 Million Tonnes of Oil Equivalent (Mtoe) and USA's current consumption is 2400-2500 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's per capita energy consumption will be marginally above China's current per capita consumption or be about one seventh of the current US per capita consumption. What this means is that India on per capita basis, currently consumes under 6% of what the US consumes and under 41% of what China consumes and will, by 2031-32, consume just under 15% of current US consumption levels and equal China's current per capita consumption. Moreover, India's per capita energy consumption that is less than 27% of 2003-04 level of global average energy consumption shall in 2031-32 also remain just about 74% of the current global average. (source: www.planningcommission.nic.in)

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. A Study by consultancy major Mckinsey estimates India's power demand to increase to 315 GW-335 GW by 2017, if India continues to grow at an average of 8% in that time. To meet

India's growing power demand, investments of US\$ 600 billion will be required across the value chain. Of this, around US\$ 300 billion will be necessary for generation, about US\$ 110 billion for transmission, and the balance US\$ 190 billion for distribution. By 2017, the power sector will present an annual profit (EBITDA) pool of US\$ 135 billion to US\$ 160 billion.

All India generating installed capacity by fuel (MW) as on 31st March, 2012 is as under:

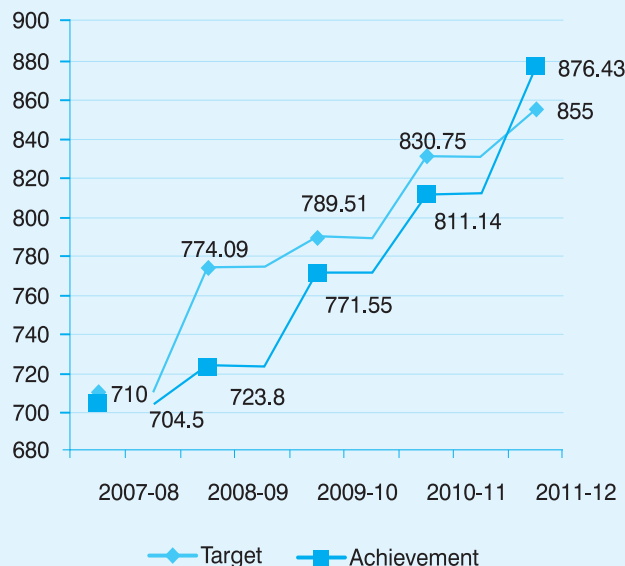


Source : CEA

Note: Captive Generation Capacity in industries having demand of 1 MW and above, grid interactive as on 31st March, 2010 is 31516.87 MW.

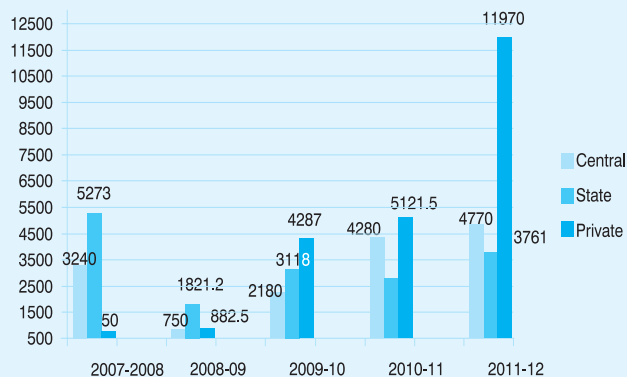
To sustain the GDP growth rate of India @ 8% plus per annum India needs the power sector to grow at 1.8 to 2 times the GDP rate of growth as per economic planners and industry experts. This would mean year on year capacity additions of 18000 to 20000 MW to achieve this ambitious plan of moving India to a Developed Economy Status as an Economic Global Power House. The power sector will provide biggest avenues to participate in the development of India's infrastructure.

All India programme, actual achievement and growth in electricity generation (in BU) during 2007-08 to 2011-12



Source : CEA

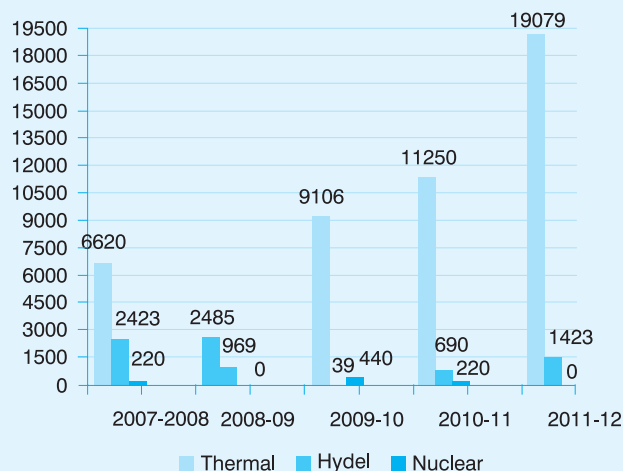
Power capacity addition (in MW) by Sector from 2007-08 to 2011-12



Source : CEA

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.

Power Capacity addition (in MW) by fuel from 2007-08 to 2011-12



Source : CEA

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

According to the CRISIL 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. There has been a record capacity addition of 53,922 MW of power in the 11th plan as on 29th March, 2012.

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, National Tariff Policy of 2006 encourage private investment in the transmission sector through competitive bidding.

Energy Conservation Act, 2001 provides for the legal framework, institutional arrangement and a regulatory mechanism at the Central and State level to embark upon energy efficiency drive in the country. Five major provisions of this Act relate to Designated Consumers, Standards and Labeling of Appliances, Energy Conservation Building Codes, Creation of Institutional Set up (Bureau of Energy Efficiency) and Establishment of Energy Conservation Fund.

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.

Moving from 11th Five Year Plan to 12th Five Year Plan (2012-17)

The capacity addition in the 11th plan is close to total cumulative achievement of 56,617 MW in the last fifteen years from the three plans that is 8th to 10th plan. The total installed capacity being 199877.03 MW as on 31st March, 2012.

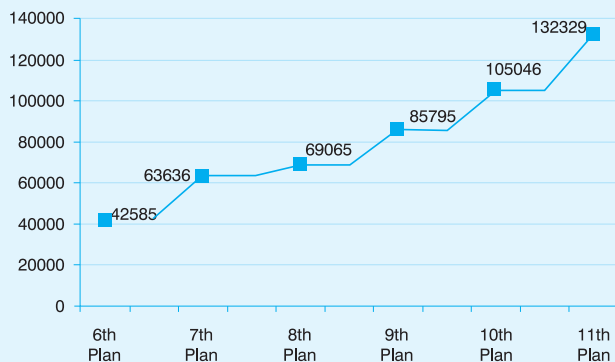
In the 11th plan, the addition of 13,800MW transmission capacity is almost equal to the total cumulative transmission capacity available at the end of the 10th plan (14,100MW). There has been an addition of 70,239 Circuit KM (ckm) of transmission lines in the 11th plan. This is 1.5 times of the achievement of 46,138 ckm added in the 10th plan.

There has been an addition of 1.36 lac MVA to transformation capacity in the 11th plan, which is 1.8 times of the achievement of 75,696 MVA in the 10th plan.

Nine super critical technology units with a total capacity of 6080 MW have been commissioned in the 11th plan and 24000MW of supercritical plants are now targeted for commissioning in the 12th plan.

In the first two years of the 12th plan, upto ₹ 25,000 crores of investments are expected to be covered for strengthening of the distribution infrastructure.

Growth in Installed Capacity at the end of each Five year Plan (MW)



Source : CEA

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 of National Electricity Fund with corpus of ₹ 100000 crore to ₹ 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.

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 Government of India has ambitious mission of power for all by 2012. Power requirements would double by 2020 to 4,00,000 MW.
- According to CRISIL research estimates about ₹ 7,50,000 crore is likely to be invested in the power sector by 2013-14, of this ₹ 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.
- In the Union Budget 2012-13, customs duty on imported coal has been scrapped, which would bring down the generation cost by about 12 paise per unit.

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.
- 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.
- Domestic coal based generation plants have been experiencing coal supply constraints due to coal shortages.
- 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.
- 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 Hydro-power plants carry normal hydrological risks. 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, 2012, the Company had a total workforce of 1217 persons, as managers, staff workers etc. including 191 Engineers, 16 Chartered Accountants/Company Secretary.

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 continued 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES OF THE COMPANY

The Company has been undertaking several CSR initiatives at its Plants/Project sites, viz. imparting education by building Schools, Health Care facilities including provision of free medical facilities in the villages surrounding the Plants/Project sites, setting up Industrial Training Centres, local area/community development initiatives etc. Jaiprakash Sewa Sansthan, a not-for-profit trust supports education initiatives of the Company and socio-economic development work undertaken by the Company. For over five decades now, Jaypee Group has supported local communities by providing resources and services in the field of education, vocational training, healthcare and various rural development programs that take an integrated, holistic approach to the welfare of rural communities.

Details of Plant/Project wise CSR initiatives undertaken by the Company are given below:-

1. At Jaypee Karcham Wangtoo Hydro-electric Plant & Jaypee Baspa-II Hydro-electric Plant

There was negligible rehabilitation and resettlement involved in the Projects. The Company has been providing many facilities/services free of cost to the villagers living close to the Project area. Such services include medical and health care facilities, approach roads, community centre/drainage system, financial assistance for various activities, etc. The Project has also undertaken Local Area Development Activities (LADA) in the Project area as per the requirements of Himachal Pradesh Government.

Number of villages covered : 43

Healthcare: One hospital has been set up in the year 2009 at Sholtu, District Kinnaur. Facilities provided include Orthopaedics, Gynaecology and Obstetrics, Anaesthesia, Emergency services and Casualty, Laboratory, X-ray including C-arm, Physiotherapy, besides ENT, Eye, General Surgery, Paediatrics, Dental and Ultra Sound.

The hospital staff includes five doctors on Company's roll and over fifty thousand villagers have benefitted from the hospital.

Four dispensaries have also been set up at Kuppa, Karcham, Kaksthal and Urni benefitting over a lakh villagers since establishment.

Pulse Polio camps are conducted in Punang, Tapri, Chagaon, Jani, Kilba and Shong villages since 1993 with around fifty beneficiaries each year. Since 2010, health check up of the school children is also undertaken in these villages benefitting around a thousand children every year.

To promote hygiene awareness, rain shelters and community toilets have been constructed in twelve villages.

Afforestation: Over fifty thousand trees have been planted in and around the project site.

Education: Vidya Saraswati Mandir School was set up in 2011 benefitting 7 villages, Jay Jyoti School was set up in 2008 benefitting 15 villages, Government Primary school at Baltrang was set up in 2008 benefitting 5 villages. Government Senior secondary School at Sangla has been renovated in 2007 benefitting 10 villages. Since 2007, 12 scholarships are being provided to students of Government Senior Secondary School at Kafnu. In 2011, Industrial Training Centre has been set up at Urni.

Drinking water facility has been provided at bus stand, Reckongpeo and Tapri. Additional funds provided for irrigation/ drinking water scheme for four panchayats at Chagaon, Urni, Yulla and Meru.

Development Work

Development work was undertaken in various villages which include repair and construction of temples, cow shelter, foot paths, widening of roads, street lights, toilets, watertank, repair of schools, cooperative society buildings, provision of pipes for irrigation, parking area, renovation of steel foot bridge, rain shelters, mortuary, cremation grounds, drinking water points, incinerators, car wash points, etc

2. At Jaypee Vishnuprayag Hydro - Electric Plant

Number of villages covered: 26

Healthcare: Two dispensaries have been set up at Vishnupuram and Shivpuram with requisite nursing and medical staff. Facilities provided include consultancy, pathological laboratory, distribution of medicines, indoor patients' facility, minor OT, physiotherapy, dental treatment and ambulance services for emergency and accident cases. Medical staff includes one Project Mechanical Officer and one dentist. Over sixty thousand villagers have benefitted. Besides, pilgrims visiting Sri Badrinath ji and Sri Hemkund Sahib ji make use of the medical facilities provided during the Yatra season.

Vehicle is being provided to District CMO since 2000 for Pulse Polio camps in nearby villages in tehsil Joshimath benefitting 26 villages around Joshimath.

Community Health Awareness camp organized in 2011 in conjunction with the Army for villages around Joshimath. Facilities provided included consultancy and distribution of medicines.

Periodic vaccination/inoculation camps are organized at both the dispensaries. During the last two years, over one thousand persons utilized Hepatitis B inoculation facility and 1485 persons were given tetanus injections.

Vehicle service is provided every Wednesday to take the children to Community Health Centre (CHC), Joshimath for periodic vaccinations/inoculations.

Biennial joint medical survey is carried out covering the villages in the vicinity of the project to ascertain the effects if any, on the locals on account of the project. The Epidemiological Survey is conducted by a team comprising Superintendent, CHC Joshimath and Senior Project Medical Officer of the Company.

Development Work

A Play cum Progressive and Nursery School has been set up at Vishnupuram camp, having forty children. Regular health check is also undertaken for these children.

Project has carried out construction of water storage tanks and provisioning of water pipe lines in five villages, ensuring clean potable water to the locals from perennial sources.

Other development works include construction of village approach roads, temples, additional rooms in local schools and colleges, land development for schools and construction of playground, provision of desks and benches for schools, cremation grounds and community hall, financial assistance during cultural and religious functions, computer class for women and children, provision of tents to the Civil Administration under the Disaster Management Plan, etc

3. At Jaypee Bina Thermal Power Plant

Number of villages covered: 8

Healthcare: One hospital has been set up at Sirchopi in the year 2009. Facilities include provision of medicines, indoor facility, lab tests, first aid, emergency services, casualty cases, etc.

The staff includes two doctors. Over ten thousand villagers have benefitted.

Blankets were donated to participants of family planning camp held by the local authority at Bina Tehsil in 2011

Afforestation: Over thirty thousand trees have been planted in and around the project site.

Education: Sardar Patel Uchchar Madhyamik Vidyalaya has been set up commencing academic year 2011-12 catering to around 150 students from Class I to Class IV

Development work: Include repair of PWD road of 16 km from Bina to Bamhori Durjan village, construction of village road at Tehsil Mungaoli, repair of temples at villages Sirchopi and Hinod.

4. At Jaypee Nigrie Super Thermal Power Project

Number of villages covered: 8

Healthcare: One hospital has been set up at Nigrie equipped with state of the art medical equipment and supported by two doctors and 23 para medics. The hospital provides medical services to villagers of nearby eight villages who account for 85% of the patients. Bi-weekly village medical camps are organized on a mobile medical van. Two ambulances are provided for evacuation of casualties to Sidhi District HQ or to nearby Primary Health Centre (PHC) at Niwas. Over a lakh patients have benefitted since 2007.

Health check up of school children has been taken up benefitting over 1400 children in 11 villages.

Afforestation: Over 16,000 trees have been planted in and around the project site.

Education: Sardar Patel Uchchar Madhyamik Vidyalaya has been set up catering to school children from four villages.

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, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (1) As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order') issued by the Central Government of India, in terms of Section 227(4-A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report, are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012.
- ii) in the case of the Statement of Profit & Loss, of the profit of the Company for the year ended 31st March, 2012.
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31st March, 2012.

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

Place : Noida
Dated : 17th May, 2012

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, 2012 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 neither 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 2005-06 and 2006-07 | With CIT Mumbai | ₹ 174 Lacs |
| Income Tax | AY 2007-08, AY 2008-09, AY 2009-2010 | With the Commissioner of Income Tax (Appeal) | ₹ 621 Lacs |
| Diversion Tax and Land Cess | Since 1998-99 | Tehsil | ₹ 168 Lacs |

- (x) The Company does not have any accumulated book 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) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) 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 Registration No.002626N

Place : Noida
Dated : 17th May, 2012

CA R. NAGPAL
Partner
M.No. 81594

BALANCE SHEET AS AT MARCH 31, 2012

(` in Lacs)

| Particulars | Note No. | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|----------|---|--|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 262,476 | 262,476 |
| (b) Reserves and Surplus | 4 | 284,024 | 254,590 |
| (c) Money received against share warrants | | - | - |
| (2) Share application money pending allotment | | - | - |
| (3) Deferred Revenue | 5 | 39,207 | 31,302 |
| (4) Non Current Liabilities | | | |
| (a) Long-term borrowings | 6 | 1,310,803 | 1,173,993 |
| (b) Deferred tax liabilities (net) | 7 | 12,344 | - |
| (c) Other Long-term liabilities | 8 | 1,253 | 9,669 |
| (d) Long-term provisions | 9 | 35,533 | 34,672 |
| (5) Current Liabilities | | | |
| (a) Short-term borrowings | 10 | 51 | 5,082 |
| (b) Trade payables | 11 | 81,127 | 32,952 |
| (c) Other current liabilities | 12 | 174,363 | 31,406 |
| (d) Short-term provisions | 13 | 36,561 | 1,947 |
| TOTAL | | 2,237,742 | 1,838,089 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 14 | | |
| (i) Tangible assets | 14A | 965,700 | 307,414 |
| (ii) Intangible assets | 14B | - | - |
| (iii) Capital work-in-progress | 14C | 638,377 | 896,216 |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 15 | 386,308 | 360,630 |
| (c) Deferred tax assets (net) | 16 | - | - |
| (d) Long-term loans and advances | 17 | 68,394 | 21,596 |
| (e) Other non-current assets | 18 | 9,661 | 10,578 |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 19 | 4,866 | 1,753 |
| (c) Trade receivables | 20 | 43,036 | 15,566 |
| (d) Cash and cash equivalents | 21 | 71,581 | 202,424 |
| (e) Short-term loans and advances | 22 | 46,615 | 16,539 |
| (f) Other current assets | 23 | 3,204 | 5,373 |
| TOTAL | | 2,237,742 | 1,838,089 |

Summary of significant accounting policies 2 (ii)
 Note nos. 1 to 49 are integral part of the financial statements

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration 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: 17th May, 2012

Y.K. Sharma
 Vice President (F & A)

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

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

(` in Lacs)

| Particulars | Note No. | Figures for the current reporting period, March 31, 2012 | Figures for the previous reporting period, March 31, 2011 |
|--|----------|--|---|
| I. Revenue from operations | 24 | 161,556 | 73,689 |
| II. Other Income | 25 | 7,074 | 10,385 |
| III. Total Revenue (I + II) | | 168,630 | 84,074 |
| IV. Expenses : | | | |
| Cost of operation and maintenance | 26 | 4,936 | 2,688 |
| Purchase of Stock-in-trade | | - | - |
| Changes in inventories of finished goods work-in-progress and stock-in-trade | | - | - |
| Employee benefits expense | 27 | 4,329 | 2,434 |
| Finance costs | 28 | 85,945 | 44,844 |
| Depreciation and amortization expense | 29 | 23,005 | 9,491 |
| Other expenses | 30 | 4,116 | 2,969 |
| Total expenses | | 122,331 | 62,426 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | 46,299 | 21,648 |
| VI. Exceptional items | | - | - |
| VII. Profit before extraordinary items and tax (V-VI) | | 46,299 | 21,648 |
| VIII. Extraordinary items | | - | 1,002 |
| IX. Profit before tax (VII-VIII) | | 46,299 | 20,646 |
| X. Tax Expense : | | | |
| (i) Current tax (MAT) | | 9,265 | 4,116 |
| Less : MAT credit entitlement | | 9,265 | - |
| Net Current Tax | | - | 4,116 |
| (ii) Earlier years | | - | 25 |
| (iii) Previous Year - Written Off | | (124) | (4) |
| (iv) Fringe benefit tax of earlier year written off | | - | (2) |
| (v) Deferred tax charge | | 6,128 | - |
| XI. Profit/(loss) from continuing operations (IX-X) | | 40,295 | 16,511 |
| XII. Profit/(loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discontinuing operations | | - | - |
| XIV. Profit/(loss) from discontinuing operations (after tax) (XII-XIII) | | - | - |
| XV. Profit/(loss) for the period (XI + XIV) | | 40,295 | 16,511 |
| XVI. Earnings per equity share : | | | |
| Before Extraordinary items | | | |
| (i) Basic | | 1.54 | 0.84 |
| (ii) Diluted | | 1.47 | 0.67 |
| After Extraordinary items | | | |
| (i) Basic | | 1.54 | 0.79 |
| (ii) Diluted | | 1.47 | 0.64 |

Summary of significant accounting policies 2 (ii)

Note nos. 1 to 49 are integral part of the financial statements

As per our report of even date

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration 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
Dated: 17th May, 2012

Y.K. Sharma
Vice President (F & A)

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

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

For and on behalf of the Board

Manoj Gaur
Chairman

Notes to the financial statements for the year ended March 31, 2012

Note 1

Corporate Information

Jaiprakash Power Ventures Limited, a part of Jaypee Group was incorporated in the year 1994. The Company is engaged in the business of generation of Power. The Company owns and operates the 300 MW Jaypee Baspa II Hydro Electric Plant at District Kinnaur, Himachal Pradesh, 400 MW Jaypee Vishnuprayag Hydro Electric Plant at District Chamoli, Uttrakhand and 1000 MW Jaypee Karcham Wangtoo Hydro Electric Plant at District Kinnaur, Himachal Pradesh.

The Company is also implementing the following Thermal Power Plants:

- (a) 500 MW (Phase I) Jaypee Bina Thermal Power Plant at Village Sirchopi, District Sagar, Madhya Pradesh. It is expected to commence operations in the financial year 2012-13.
- (b) 1320 MW Jaypee Nigrie Super Critical Thermal Power Plant at District Singrauli, Madhya Pradesh. It is expected to commence operations in the financial year 2013-14.

The Company is setting up/planning following Power Plants through its subsidiaries:

- (a) 1980 MW (Phase I) Thermal Power Plant through Prayagraj Power Generation Company Limited at Bara, District Allahabad.
- (b) 1320 MW (Phase I) Thermal Power Plant through Sangam Power Generation Company Limited at Karchana, District Allahabad.
- (c) 2700 MW Lower Siang and 500 MW Hirong Hydro Electric Plants through Jaypee Arunachal Power Limited in Arunachal Pradesh.
- (d) 450 MW Kynshi and 270 MW Umngot Hydro Electric Plants through Jaypee Meghalaya Power Limited in Meghalaya.

The Company through its subsidiary Jaypee Powergrid Limited has developed 217 Km long power transmission line to evacuate power from 1000 MW Jaypee Karcham Wangtoo Hydro electric Plant

Note 2

2(i) Basis of Preparation of Financial Statements

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

2(ii) Summary of significant accounting policies

a) 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.
- (ii) **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.

- (iii) **1000 MW Karcham Wangtoo HEP** : Revenue from sale of electrical energy is accounted for on the basis of billing to various buyers as per short term/medium term Power Purchase Agreements executed with them and sale through Power Exchange(s).
- (iv) Revenue from sale of Verified Emission Reductions (VERs) is accounted for on receipt basis.
- (v) Insurance claims are accounted for on receipt basis or as acknowledged by the Insurance Company.
- (vi) Other Income and cost/expenditure are accounted for on accrual basis as they are earned or incurred.
- (vii) 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.

b) 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, financing cost and foreign exchange loss/gain, up to the date of commissioning.

c) 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.
- (c) **1000 MW Karcham Wangtoo HEP** : Depreciation has been provided @ 2.57% p.a. on straight line method on Hydro Electric Works w.e.f. 01.04.2011 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. 45/6/2011-CL-III dated 09.08.2011.

(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 ` 5,000 or less is provided at 100% irrespective of the actual period of use.

d) Expenditure during Construction Period

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

e) 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 and revised notification dated 29th December, 2011 by Ministry of Corporate Affairs, Govt. of India.

f) 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 the Company has a right to receive the same on or before the Balance Sheet date.

g) Inventories

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

h) Retirement & Other Employee 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.

i) 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.

j) 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.

k) 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.

l) Earning 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.

m) 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.

n) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization on straight line basis from the date the assets are put for commercial use.

o) Premium on Redemption of Debentures

Premium paid/payable on Redemption of Debentures are adjusted against Securities premium reserve/Surplus.

p) 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".

Note 3 - Share Capital

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|-----------|--|---------|
| | Number | Amount | Number | Amount |
| Authorised | | | | |
| Equity shares of ` 10/- each | 8,300,000,000 | 830,000 | 8,300,000,000 | 830,000 |
| Preference shares of ` 100/- each | 300,000,000 | 300,000 | - | - |
| Total | - | 1,130,000 | - | 830,000 |
| Issued, Subscribed & Paid up | | | | |
| Equity shares of ` 10/- each | 2,624,757,123 | 262,476 | 2,095,680,200 | 209,568 |
| Share Capital Suspense Account | - | - | 529,076,923 | 52,908 |
| Total | 2,624,757,123 | 262,476 | 2,624,757,123 | 262,476 |

Note 3.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|---------|--|---------|
| | Equity Shares | | Equity Shares | |
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 2,095,680,200 | 209,568 | 2,095,680,200 | 209,568 |
| Shares issued during the year | 529,076,923 | 52,908 | - | - |
| Shares brought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 2,624,757,123 | 262,476 | 2,095,680,200 | 209,568 |

Amount of ` 52,908 Lacs was in share suspense account as on 31.03.2011 and 52,90,76,923 equity shares of ` 10/- each were allotted during the year, consequent to amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) and erstwhile Bina Power Supply Company Limited (BPSCL) with the Company from the appointed date i.e. 01.04.2010.

Note 3.2 The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

Equity Shares having a par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share and entitled to dividend.

Preference Shares having a par value of ` 100/- per share, with power to the Company to convert Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach there to respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the provisions of Articles of Association of the Company and the provisions of the Companies Act, 1956. Preference share holders are entitled to dividend at a fixed rate and is not entitled to vote at the General Meeting of the Company. The Company has not issued any class of Preference Shares.

Note 3.3 Equity Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

1,78,30,00,600 Equity Shares are held by Jaiprakash Associates Limited, the holding company.

21,46,22,624 Equity Shares are held by Jaypee Infra Ventures (A Private Company with unlimited liability), associate company of Jaiprakash Associates Limited.

Note 3.4 Equity Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

| Name of Shareholder | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--|---|--------------|--|--------------|
| | No. of equity shares held | % of holding | No. of equity shares held | % of holding |
| Jaiprakash Associates Limited | 1,783,000,600 | 67.930 | 1,598,000,600 | 76.252 |
| Jaypee Infra Ventures (A Private Company with unlimited liability) | 214,622,624 | 8.177 | 225,190,622 | 10.746 |
| JPVL Trust | 344,076,923 | 13.109 | - | - |

Note 3.5 Equity Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestments, including terms and amounts

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US\$ 1.00 Lacs each aggregating to US\$ 200 Million at par on 12.02.2010. These Bonds are convertible at the option of the bondholders into equity shares of ` 10/- each fully paid up at the conversion price of ` 85.8139 per share, subject to the terms of issue with a fixed exchange rate of ` 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 till date upto financial year 2011-12.

The bonds are redeemable at maturity on 13.02.2015 at a YTM of 7% p.a. inclusive of coupon rate of 5% p.a. [value as on 31.03.2012 in US\$ 1.04 Lacs (Previous Year - US\$1.02 Lacs) for a principal amount of US\$ 1.00 Lacs each]. A reserve aggregating to ` 3,935 Lacs up to 31.03.2012 (Previous year- ` 2,089 Lacs) has been created for the redemption premium.

No shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestments.

Note 3.6 Aggregate number and class of equity shares allotted as fully paidup pursuant to contract without payment being received in cash, allotment by way of bonus shares or shares bought back

| Particulars | Year (Aggregate no. of shares) | |
|--|--------------------------------|---------------|
| | 2011-12 | 2010-11 |
| Equity Shares | | |
| Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaiprakash Power Ventures Limited with Jaiprakash Hydro-Power Limited (renamed as Jaiprakash Power Ventures Limited) w.e.f 01.04.2009 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 14.12.2009, effective from 14.12.2009. | 1,604,679,600 | 1,604,679,600 |

| Particulars | Year (Aggregate no. of shares) | |
|---|--------------------------------|-------------|
| | 2011-12 | 2010-11 |
| Equity Shares | | |
| Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited with Jaiprakash Power Ventures Limited w.e.f 01.04.2010 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 25.07.2011, effective from 26.07.2011. | 529,076,923 | 529,076,923 |
| Fully paid up by way of bonus shares | - | - |
| Shares bought back | - | - |

Note 3.7 Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--|---|--------|--|--------|
| | Number | Amount | Number | Amount |
| 5% Foreign Currency Convertible Bonds (FCCB) | 107,535,026 | 10,754 | 107,535,026 | 10,754 |

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US\$ 1.00 Lacs each aggregating to US\$ 200 Million at par on 12.02.2010. These Bonds are convertible at the option of the bondholders into equity shares of ` 10/- each fully paid up at the conversion price of ` 85.8139 per share, subject to the terms of issue with a fixed exchange rate of ` 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.

Note 3.8 Calls unpaid (showing aggregate value of calls unpaid by directors and officers)

There are no calls unpaid including by directors and officers of the Company.

Note 3.9 Forfeited shares (amount originally paid up)

No shares have been forfeited .

Note 4 - Reserves and Surplus

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--|---|---|--|-------|
| | 1. Securities Premium Reserve | | | |
| Opening Balance | 4,342 | | 28,601 | |
| Less : Transfer to Provision for Premium on Redemption of Debentures | 4,342 | - | 24,259 | 4,342 |

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|----------------|--|----------------|
| | 2. Debenture Redemption Reserve | | | |
| Opening Balance | 27,768 | | 4,832 | |
| Add : Provisions for the year | 27,737 | | 27,736 | |
| Less : Transfer to Statement of profit and loss on redemption | - | 55,505 | 4,800 | 27,768 |
| 3. General Reserve | | | | |
| Opening Balance | 4,785 | | 4,785 | |
| Add : Transfer from Statement of Profit and loss | - | 4,785 | - | 4,785 |
| 4. Capital Reserve on Amalgamation | | | | |
| Opening Balance | 134,411 | | - | |
| Add : On amalgamation of JKHCL & BPSCL | - | | 230,692 | |
| Less : Goodwill written off | - | 134,411 | 96,281 | 134,411 |
| 5. Reserve for Premium on Foreign Currency Convertible Bonds | | | | |
| Opening Balance | 2,089 | | 243 | |
| Add : Provisions for the year | 1,846 | 3,935 | 1,846 | 2,089 |
| 6. Surplus | | | | |
| Opening Balance | 81,195 | | 89,752 | |
| Add : Profit/(loss) transferred from Amalgamating Company | - | | (286) | |
| Add : Profit After Tax during the year | 40,295 | | 16,511 | |
| Add : Debenture Redemption Reserve Written Back | - | | 4,800 | |
| Add : MAT credit for earlier years | 23,201 | | - | |
| Less : Deferred tax liability of earlier years | 6,216 | | - | |
| Less : Debenture Redemption Reserve for the year | 27,736 | | 27,736 | |
| Less : Provision for Premium on Redemption of Debenture | 23,505 | | - | |
| Less : Reserve for Premium on Foreign Currency Convertible Bonds | 1,846 | 85,388 | 1,846 | 81,195 |
| Total | | 284,024 | | 254,590 |

Note 5 - Deferred Revenue

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--------------------------|---|--|--|--|
| | Advance against depreciation | | | |
| Opening Balance | 31,302 | | 23,397 | |
| Addition during the year | 7,905 | | 7,905 | |
| Total | 39,207 | | 31,302 | |

As per accounting policy, the Advance against Depreciation amounting to ` 7,905 lacs (Previous Year ` 7,905 lacs) has been treated as Deferred Revenue.

Non Current Liabilities

Note 6 - Long-term borrowings

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---------------------------------------|---|--|
| "A" Secured Loans | | |
| Bonds/Debentures | | |
| Redeemable Non-Convertible Debentures | 98,259 | 198,257 |
| Term Loans | | |
| Rupee Loan | | |
| – from Financial Institutions | 177,639 | 184,380 |
| – from Banks | 919,260 | 687,470 |
| Foreign Currency Loan | | |
| – from Banks | 170 | 254 |
| – from Financial Institutions | 7,905 | 7,129 |
| Working Capital - From Banks | 600 | 1,800 |
| From other parties | | |
| Foreign Currency - Buyers' Credit | 3,870 | 4,803 |
| Total "A" | 1,207,703 | 1,084,093 |
| "B" Unsecured Loans | | |
| – Foreign Currency Convertible Bonds | 102,600 | 89,400 |
| Others | | |
| Govt. of Uttarakhand | 500 | 500 |
| Total "B" | 103,100 | 89,900 |
| Total "A + B" | 1,310,803 | 1,173,993 |

Security for Term Loans and Non-Convertible Debentures

6.1 300 MW Jaypee Baspa II HEP:

6.1(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 charges 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 Ltd. 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 also secured by way of:

- 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.

(iii) Pledge of 6,291 Lacs shares of the Company held by Jaiprakash Associates Limited, (JAL) on pari-passu basis with lenders of Jaypee Vishnuprayag HEP and Jaypee Nigrie Super Thermal Power Project.

(iv) Corporate Guarantee furnished by Jaiprakash Associates Limited (JAL), the Holding Company, for the outstanding financial assistance of Power Finance Corporation Ltd., as on 31.03.2012 amounting to ` 10,289.42 Lacs (Previous Year- ` 12,786.98 Lacs).

6.1(b) The aforesaid security rank pari-passu for working capital limit (Fund based and non fund based) outstanding ` 4,051 Lacs against limit of ` 6,900 Lacs sanctioned by Punjab National Bank, Shimla with personal guarantees of Shri Jaiprakash Gaur, Founder Chairman, Shri Manoj Gaur, Chairman, Shri S.K. Sharma, Vice Chairman & CEO and Shri S. K. Jain, former Director of the Company.

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

6.2 400 MW Jaypee Vishnuprayag HEP :

6.2(a) 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 charges 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 Ltd.

(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 also secured by way of:

(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.

(iii) Pledge of 6,291 Lacs shares of the Company held by JAL on pari-passu basis with lenders of Baspa - II HEP and Nigrie Super Thermal Power Project.

(iv) Corporate Guarantee furnished by JAL, the Holding Company, for outstanding financial assistance of Power Finance Corporation Ltd., as on 31.03.2012 amounting to US\$ 161.81 Lacs (Previous Year \$ 192.63 Lacs).

6.2(b) Working Capital Loan of ₹ 6,000 Lacs sanctioned by ICICI Bank Ltd., is secured by second mortgage/ hypothecation and charge on all movable and immovable assets of 400 MW Jaypee 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 the Plant.

6.3 1000 MW Jaypee Karcham Wangtoo HEP:

6.3(a) The Rupee Term Loan assistance of ₹ 4,56,123 Lacs (Previous Year - ₹ 4,18,919 Lacs) by financial institutions and banks together with all interest, cost and other charges/dues are secured by:

- (i) First ranking pari-passu mortgage and hypothecation of all the immovable and movable assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to Jaypee Karcham Wangtoo HEP and English mortgage on immovable property at Vadgaon, Taluka Mawal, District Pune, Maharashtra.
- (ii) Pledge of 12,06,00,000 equity shares of the Company held by JAL on pari passu basis with the lenders.

In the Previous year 32,55,00,000 equity shares of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) held by Jaiprakash Power Ventures Ltd (JPVL), earlier Holding Company of JKHCL and 27,75,00,000 equity shares of JKHCL held by Jaiprakash Associates Limited (JAL) were pledged with lenders on pari passu basis. Consequent to amalgamation, of JKHCL with JPVL 60,30,00,000 equity shares were converted into 12,06,00,000 equity shares of JPVL (6,51,00,000 equity shares held by JPVL and 5,55,00,000 equity shares held by JAL). 6,51,00,000 equity shares held by JPVL were released and replaced by JAL. Thus total 12,06,00,000 equity shares held by JAL were pledged.

6.3(b) The aforesaid Security ranks pari-passu with working capital lender (i.e. IDBI Bank Limited) for Working Capital limit of ₹ 30,500 Lacs (Outstanding Bank Guarantees of ₹ 182 Lacs) (Previous Year - Nil).

6.4 500 MW Jaypee Bina Thermal Power Plant :

6.4(a) Financial Assistance of ₹ 1,87,888 Lacs (Previous Year ₹ 1,16,668 Lacs) 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 movable assets both present and future, all intangible assets, uncalled capital and all revenues and receivables pertaining to Jaypee Bina Thermal Power Plant.
- (ii) Pledge of 6,48,09,231 equity shares of the Company held by JAL, on pari-passu basis with the lenders.

In the Previous Year, 42,12,60,000 equity shares of erstwhile Bina Power Supply Company Ltd. (BPSCL) (earlier the Subsidiary Company), held by Jaiprakash Power Ventures

Ltd. (earlier the Holding Company) were pledged with lenders on pari pasu basis. Consequent to amalgamation of BPSCL with JPVL, the pledged shares of BPSCL were converted to 6,48,09,231 equity shares of JPVL, which were got released from the lenders and similar number of shares of JPVL held by JAL were pledged .

6.4(b) The aforesaid Security ranks pari-passu with working capital lender (i.e. IDBI Bank Limited) for working capital limit of ₹ 7,500 Lacs. Bank Guarantees outstanding of ₹ 4,808 Lacs (Previous Year - ₹ 3,235 Lacs).

6.5 1320 MW Jaypee Nigrie Super Thermal Power Project :

6.5(a) Financial assistance of ₹ 2,23,169 Lacs (Previous year ₹ 40,120 Lacs) availed out of amount of ₹ 5,67,000 Lacs (INR 4,82,110 Lacs and External Commercial Borrowing (ECB) amounting to Jap. Yen 15.30 Billion equivalent to ₹ 84,890 Lacs) sanctioned by 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 movable 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 6,291 Lacs equity shares (Previous Year 6,291 Lacs) of the Company held by JAL on pari-passu basis with lenders of Jaypee Baspa - II HEP and Jaypee Vishnuprayag HEP.

6.5(b) Bank Guarantee limit of ₹ 10,000 Lacs sanctioned by IDBI Bank Limited. Bank Guarantees outstanding for ₹ 10,000 Lacs (Previous Year- ₹ 7,565 Lacs). The said Bank Guarantee is secured by way of subservient charge on the movable assets of the Jaypee Nigrie STPP and also by personal guarantee of Shri Manoj Gaur, Chairman of the Company.

6.6 Rupee Term Loan/Corporate Loan:

The Rupee Term Loan of ₹ 1,00,000 Lacs 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 52,79,00,000 equity shares of ₹ 10/- each fully paid up (Previous Year 45,46,00,000 equity shares) of the Company held by JAL.

6.7 The Non-Convertible Debentures Series I of ₹ 99,998 Lacs and series II of ₹ 98,259 Lacs, 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.

6.8 Repayment of Term Loans and Non-Convertible Debentures

6.8(a) 300 MW BASPA-II HEP :

All Rupee Term Loans are repayable in 56 installments payable in July, August, September and October each year commenced from July, 2010 onwards, 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 |

6.8(b) 400 MW Vishnuprayag HEP :

Rupee Term Loan of ₹ 1,65,000 Lacs is repayable in 54 equal quarterly installments payable in February, May, August and November each year commenced from November, 2009 onwards.

6.8(c) 1000 MW Jaypee 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.

6.8(d) 500 MW Jaypee Bina Thermal Power Project :

All Rupee Term Loans are repayable in 40 equal quarterly installments in March, June, September and December each year commencing from March, 2013 for 80% of loan and balance 20% in 41st Installment payable on 1st March, 2023.

6.8(e) 1320 MW Jaypee Nigrie Super Thermal Power Project :

All Rupee Term Loans are repayable in 40 equal quarterly installments commencing from November, 2014.

ECB is repayable in 20 equal half yearly installments commencing from November, 2014.

6.8(f) Other Loans :

- (i) Rupee Term Loan of ₹ 1,00,000 Lacs of ICICI Bank Limited are repayable in 9 quarterly installments payable in February, May, August and November each year commencing from August, 2012 onwards.

(ii) Secured Redeemable Non Convertible Debentures (NCDs):-

| Institution | Amount | Redemption |
|--------------------|--|--|
| ICICI Bank Limited | ₹ 99,998 Lacs (Series - I) 14,049 Debentures issued at a Price of ₹ 7,11,780/- each. Redemption Price ₹ 10 Lacs each | Redemption value ₹ 1,40,490 Lacs on March 31, 2013 in one installment. |
| ICICI Bank Limited | ₹ 98,259 Lacs* (Series - II) | |
| | Tranche | No of Deb. |
| | Issue price (Amount ₹) | Redemption Date |
| | Redemption Value ₹ in Lacs | |
| | A | 36,600 |
| | B | 38,700 |
| | C | 41,000 |
| | D | 43,200 |
| | Total | 159,500 |

*Redemption Price ₹ 1.00 lac each

6.9 Unsecured Loans

- (i) Unsecured loan of ₹ 1,000 Lacs is repayable to Government of Uttarakhand, which would be paid after having decision arrived between Government of Uttar Pradesh and Government of Uttarakhand for receipt of said payment.

- (ii) The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US\$ 1.00 Lacs 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 ₹ 10/- each fully paid up at the conversion price of ₹ 85.8139 per share, subject to the terms of issue with a fixed exchange rate of ₹ 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 till date upto financial year 2011-12.

The bonds are redeemable at maturity on 13.02.2015 at a YTM of 7% p.a. inclusive of coupon rate of 5% p.a. [value as on 31.03.2012 in US\$ 1.04 Lacs (Previous Year - US\$1.02 Lacs) for a principal amount of US\$ 1.00 Lacs each]. A reserve aggregating to ₹ 3,935 Lacs up to 31.03.2012 (Previous year - ₹ 2,089 Lacs) has been created for the redemption premium.

As on 31.03.2012 the Company has outstanding exposure of US\$ 200 Million against FCCB unhedged, pending conversion into equity share capital. (An amount of US\$ 242.64 Lacs (hedged) out of FCCB funds is parked overseas pending utilization as on 31.03.2012).

Note 7 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|------------------------------------|---|--|
| Deferred tax liability | | |
| On account of depreciation | 16,370 | - |
| Total 'A' | 16,370 | - |
| Deferred tax assets | | |
| On account of loss carried forward | 3,891 | - |
| On account of employee benefits | 135 | - |
| Total 'B' | 4,026 | - |
| Total 'A - B' | 12,344 | - |

Note 8 - Other Long Term Liabilities

(₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|----------------|---|--|
| Trade Payables | - | 2,274 |
| Others | 1,253 | 7,395 |
| Total | 1,253 | 9,669 |

Note 9 - Long Term Provisions

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|-------------------------------------|---|---------------|--|---------------|
| | | | | |
| a) Provision for employee benefits | | | | |
| Leave Encashment | 114 | 114 | 155 | 155 |
| b) Others | | | | |
| Wealth Tax | 3 | | 3 | |
| Income Tax | 10,305 | | 10,255 | |
| Premium on redemption of debentures | 25,111 | 35,419 | 24,259 | 34,517 |
| Total | | 35,533 | | 34,672 |

Current Liabilities
Note 10 - Short-term borrowings

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|------------------------------|---|-----------|--|--------------|
| | | | | |
| Secured Loans | | | | |
| Loans repayable on demand | | | | |
| Rupee Loan | | | | |
| – from Banks | | – | | 5,042 |
| Working Capital - From Banks | | 51 | | 40 |
| Total | | 51 | | 5,082 |

Note 11 - Trade Payables

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|----------------|---|--|--|--|
| | | | | |
| Trade Payables | 81,081 | | 32,926 | |
| Others | 46 | | 26 | |
| Total | 81,127 | | 32,952 | |

Note 12 - Other Current Liabilities

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|----------------|--|---------------|
| | | | | |
| Current maturities of long-term debt | | | | |
| "A" Secured Loans | | | | |
| Bonds/Debentures | | | | |
| Redeemable Non-Convertible Debentures | | 99,998 | | – |
| Term Loans | | | | |
| – from Financial Institutions | | 3,821 | | 2,009 |
| – from Banks | | 62,596 | | 20,812 |
| Foreign Currency Loan | | | | |
| – from Banks | | 134 | | 127 |
| – from Financial Institutions | | 395 | 66,946 | 1,482 |
| From other parties | | | | 24,430 |
| Foreign Currency - Buyer's Credit | | 1,744 | | 1,609 |
| Working Capital | | | | |
| – from Banks | | 1,200 | | 1,200 |
| "B" Unsecured Loans | | | | |
| i) Govt. of Uttarakhand | | 500 | | 500 |
| ii) Interest accrued but not due on borrowings | | 3,129 | | 2,236 |
| iii) Investors' Education & Protection Fund : (Appropriate amount shall be transferred to Investors' Education & Protection Fund, if and when due) | | | | |
| – Unclaimed Dividend | | 191 | | 193 |
| iv) Other payables | | 655 | | 1,238 |
| Total | | 174,363 | | 31,406 |

For security and repayment, refer note no. 6.1 to 6.9.

Note 13 - Short Term Provisions

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|---------------|--|--------------|
| | | | | |
| a) Provision for employee benefits | | | | |
| Gratuity | 61 | | 1 | |
| Leave Encashment | 65 | | – | |
| Bonus & Incentive | 175 | 301 | 62 | 63 |
| b) Others | | | | |
| Income Tax | 9,265 | | 1,884 | |
| Premium on redemption of debentures | 26,995 | 36,260 | – | 1,884 |
| Total | | 36,561 | | 1,947 |

Note 14 - Fixed Assets

Note 14A - Tangible Assets

(` in Lacs)

| S. No. | Particulars | GROSS CARRYING AMOUNT | | | | | DEPRECIATION / AMORTIZATION | | | | | NET CARRYING AMOUNT | |
|--------|---------------------|-----------------------|---------------------------|---------------------------|-------------------|------------------|-----------------------------|--------------|---------------------------|-------------------|-----------------|---------------------|------------------|
| | | As on 1.04.2011 | Additions during the Year | Disposals during the Year | Other Adjustments | As on 31.03.2012 | Upto 31.03.2011 | For the Year | Disposals during the Year | Other Adjustments | Upto 31.03.2012 | As on 31.03.2012 | As on 31.03.2011 |
| 1 | Land | | | | | | | | | | | | |
| | - Lease Hold | 3,053 | 60 | - | - | 3,113 | 717 | 141 | - | - | 858 | 2,255 | 2,336 |
| | - Free Hold | 6,240 | 19 | - | - | 6,259 | - | - | - | - | - | 6,259 | 6,240 |
| 2 | Buildings | 18,573 | 3,211 | - | - | 21,784 | 1,867 | 338 | - | - | 2,205 | 19,579 | 16,706 |
| 3 | Plant & Machinery | 337,021 | 675,766 | - | 2,035 | 1,014,822 | 55,968 | 22,616 | - | - | 78,584 | 936,238 | 281,053 |
| 4 | Furniture & Fixture | 250 | 93 | - | - | 343 | 89 | 48 | - | - | 137 | 206 | 161 |
| 5 | Vehicles | 776 | 112 | 12 | - | 876 | 220 | 66 | 6 | - | 280 | 596 | 556 |
| 6 | Office Equipments | 472 | 258 | - | - | 730 | 110 | 53 | - | - | 163 | 567 | 362 |
| | Total | 366,385 | 679,519 | 12 | 2,035 | 1,047,927 | 58,971 | 23,262 | 6 | - | 82,227 | 965,700 | 307,414 |
| | Previous Year | 466,082 | 7,425 | 106,993 | 129 | 366,385 | 59,456 | 10,217 | - | 10,702 | 58,971 | 307,414 | |

Note : 1 Depreciation on Assets of Projects under implementation amounting to ` 257 Lacs (Previous Year 690.96 Lacs) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.

2 Other adjustment is on account of exchange fluctuation (profit)/loss on the valuation of Foreign Currency Loans for the purchase of Plant & Machinery at the exchange rate prevailing on the date of Balance Sheet.

Note 14 B - Intangible Assets

(` in Lacs)

| S. No. | Particulars | GROSS CARRYING AMOUNT | | | | | DEPRECIATION / AMORTIZATION | | | | | NET CARRYING AMOUNT | |
|--------|--------------------------------------|-----------------------|---------------------------|---------------------------|-------------------|------------------|-----------------------------|--------------|---------------------------|-------------------|-----------------|---------------------|------------------|
| | | As on 1.04.2011 | Additions during the Year | Disposals during the Year | Other Adjustments | As on 31.03.2012 | Upto 31.03.2011 | For the Year | Disposals during the Year | Other Adjustments | Upto 31.03.2012 | As on 31.03.2012 | As on 31.03.2011 |
| 1 | Intangible Assets- Computer Software | 3 | - | - | - | 3 | 3 | - | - | - | 3 | - | - |
| | Total | 3 | - | - | - | 3 | 3 | - | - | - | 3 | - | - |
| | Previous Year | 3 | - | - | - | 3 | 3 | - | - | - | 3 | - | - |

Note 14 C : Capital work in progress and Incidental expenditure during construction pending allocation

(` in Lacs)

| Sl. No. | Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 | | | |
|---------|--|---|--|--------|----------|---------|
| | A. Direct cost of project under construction | | | | | |
| | Opening Balance | 727,012 | 53,195 | | | |
| | Add : Addition during the year | 333,030 | 673,817 | | | |
| | Less : Capitalisation during the year | 537,507 | - | | | |
| | Balance Capital Work in Progress (A) | 522,535 | 727,012 | | | |
| | B. Incidental Expenditure During Construction pending allocation | | | | | |
| | Opening Balance | 169,204 | 103,242 | | | |
| | Add : Addition during the year | | | | | |
| | Employee Benefit Expense | | | | | |
| | Salary, Wages, Bonus and other benefit | 1,675 | 1,595 | | | |
| | Contribution to Provident and Other Funds | 60 | 87 | | | |
| | Gratuity | 11 | 27 | | | |
| | Staff Welfare Expenses | 123 | 82 | | | |
| | Directors Remuneration | 66 | 243 | 2,034 | | |
| | Finance Costs | | | | | |
| | Interest | | | | | |
| | Term Loans | 47,252 | 58,822 | | | |
| | Financial charges | | | | | |
| | Front end fee and other charges | 4,602 | 2,696 | 61,518 | | |
| | Depreciation and amortization expenses | | | | | |
| | Other Expenses | | | | | |
| | Advertisement Expenses | 97 | 52 | | | |
| | Bank Charges & Guarantee Commission | 521 | 155 | | | |
| | Bidding expenses | 1 | 5 | | | |
| | Bonus paid for early Commissioning | 1,291 | - | | | |
| | Catchment Area Treatment Plan | - | 474 | | | |
| | Compensation for Land, Trees and Buildings | 1,310 | 336 | | | |
| | Directors' Sitting Fee | - | 11 | | | |
| | Environmental Management Plan Monitoring Cost | | | | 7,630 | 378 |
| | Freight & Octroi Charges | | | | 1,164 | 633 |
| | Insurance | | | | 1,305 | 1,673 |
| | Internal Auditors' Fee | | | | - | 4 |
| | Legal & Professional & Consultancy Charges | | | | 1,588 | 2,078 |
| | Licence and application fees | | | | 25 | 7 |
| | Local Area Development | | | | 7,203 | 467 |
| | Miscellaneous Expenses | | | | 205 | 117 |
| | Overhead line connection charges | | | | 73 | 50 |
| | Postage & Couriers Expense | | | | 2 | 2 |
| | Power, Water & Electricity Charges | | | | 441 | 194 |
| | Printing & Stationery Expenses | | | | 11 | 13 |
| | Rates & Taxes | | | | 74 | 21 |
| | Rehabilitation and resettlement expenses | | | | 37 | 187 |
| | Rent | | | | 63 | 133 |
| | Royalty paid | | | | 35 | 14 |
| | Security & Medical charges | | | | 558 | 115 |
| | Telephone Expenses | | | | 27 | 20 |
| | Travelling Expenses | | | | 248 | 255 |
| | Vehicle Running & Maintenance Expenses | | | | 58 | 86 |
| | Auditors' Remuneration - Audit Fee | | | | 3 | 23,970 |
| | Less : Other income | | | | | |
| | Transferred to Jaypee Meghalaya Power Ltd. (Wholly owned subsidiary) | | | | - | 360 |
| | Interest Earned on Deposits | | | | 1,937 | 3,130 |
| | Foreign exchange variation | | | | (12,264) | 1,761 |
| | Infirm Energy | | | | 754 | - |
| | Excess provision (previous years) written back | | | | - | (9,573) |
| | Less : Capitalisation during the year | | | | | 521 |
| | Balance Incidental expenditure during construction pending allocation (B) | | | | | 115,842 |
| | Total A + B | | | | | 638,377 |
| | | | | | | 896,216 |

Note 15 - Non-current investments

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|---|--|
| Investments in Equity Instruments INVESTMENTS (AT COST) | | |
| (A) Investment in Subsidiary Companies | | |
| Unquoted | | |
| i) 21,60,80,000 equity shares of `10/- each fully paid up of Jaypee Powergrid Limited (Previous year 18,50,00,000 equity shares) | 21,608 | 18,500 |
| ii) 20,00,00,000 equity shares of `10/- each fully paid up of Jaypee Arunachal Power Limited (Previous year 20,00,00,000 equity shares) | 20,000 | 20,000 |
| iii) 69,31,89,800 equity shares of `10/- each fully paid up of Prayagraj Power Generation Company Limited (Previous year 50,91,89,800 equity shares) | 69,329 | 50,929 |
| iv) 55,19,77,200 equity shares of `10/- each fully paid up of Sangam Power Generation Company Limited (Previous year 55,19,77,200 equity shares) | 55,207 | 55,207 |
| v) 50,000 equity shares of `10/- each fully paid up of Jaypee Meghalaya Power Limited (Previous year 50,000 equity shares) | 5 | 5 |
| (B) Investment in Beneficiary Trust (Unquoted) | | |
| JPVL Trust | 198,594 | 198,594 |
| (C) Share Application Money (Subsidiary Companies) | | |
| Prayagraj Power Generation Company Limited | 18,500 | 16,900 |
| Jaypee Arunachal Power Limited | 2,400 | - |
| Jaypee Meghalaya Power Limited | 665 | 495 |
| TOTAL | 386,308 | 360,630 |

Note :

- Aggregate cost of :
Quoted Investments (Market Value Nil) (Previous Year ` Nil) -
Unquoted (Previous Year ` 343,235 Lacs) 364,743
(See Note No. 2 below)
- Pursuant to Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) and erstwhile Bina Power Supply Company Limited (BPSCL) with the Company, sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla, JPVL Trust was created on 3rd June, 2011 to hold Equity Shares allotted upon amalgamation in accordance with the share exchange ratio in terms of the said Scheme. Upon sanction of the said Scheme, the cross holdings were not cancelled and were transferred to JPVL Trust in which the Company is the sole beneficiary. Accordingly, 21,70,00,000 Equity Shares in respect of erstwhile JKHCL and 12,70,76,923 Equity Shares in respect of erstwhile BPSCL held by the Company, were transferred to JPVL Trust, as per the approved Share Exchange Ratio.
- All Investments are Non-trade, Long Term Investments

Note 16 - Deferred tax assets (net)

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---------------------|---|--|
| Deferred tax assets | - | - |
| Total | - | - |

Note 17 - Long-term loans and advances

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Secured, Considered Good | - | - |
| Unsecured, considered good | | |
| Capital Advance | 43,135 | 16,726 |
| Security Deposits | | |
| a) With Govt. Deptt. | 1,931 | 471 |
| b) With Related Parties | 100 | 100 |
| c) With Others | 31 | 3 |
| Loans and advances to related parties (see note no. 36) | 7,146 | 395 |
| Other loans and advances | | |
| Advance Income Tax and TDS | 10,572 | 2,748 |
| Advances to suppliers | 5,479 | 1,153 |
| Total | 68,394 | 21,596 |

Note 18 - Other non-current assets

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--------------------------------|---|--|
| Long term trade receivables | 3,542 | 4,427 |
| Others | | |
| Interest receivable from HPSEB | 1,588 | 1,588 |
| Pre-paid Expenses | 4,531 | 4,563 |
| Total | 9,661 | 10,578 |

Current Assets

Note 19 - Inventories

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|---|--|
| Raw Material | - | - |
| Work-in-progress | - | - |
| Stores and Spares - at weighted average cost | 4,866 | 1,753 |
| Others | - | - |
| Total | 4,866 | 1,753 |

Note 20 - Trade receivables (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---------------------------------------|---|--|
| Secured, considered good | - | - |
| Unsecured, considered good | | |
| Due for a period exceeding six months | 5,056 | 5,262 |
| Due for a period less than six months | 37,980 | 10,304 |
| Total | 43,036 | 15,566 |

Note 21 - Cash and cash equivalents (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|---|--|
| Balances with Scheduled Banks | | |
| (i) In Current Account | 4,018 | 29,670 |
| (ii) In Fixed Deposits | | |
| (a) Having maturity of more than twelve months | 7,230 | - |
| (b) Other deposits | 38,635 | 123,951 |
| (iii) In Fixed Deposits pledged with Govt. Deptt./Banks having a maturity of less than twelve months | 604 | 5,598 |
| (iv) Trust & Retention Accounts | | |
| (a) In Current Account | 10,604 | 18,320 |
| (b) In Fixed Deposits having a maturity of less than twelve months | 10,255 | 24,642 |
| (v) In Unclaimed Dividend account | 191 | 193 |
| Cheques, draft on hand | 71,537 | 202,374 |
| Cash in hand | 44 | 50 |
| Total | 71,581 | 202,424 |

Unit wise Trust and Retention Accounts are maintained pursuant to the stipulations of the 'Financing Agreements' executed with the respective Lenders.

Note 22 - Short-term loans and advances (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Others | | |
| Unsecured, considered Good | | |
| Advances recoverable in cash or in kind or for value to be received | 4,198 | 2,584 |
| Others | | |
| Related Parties (see note no. 36) | 134 | 4,332 |
| Staff Imprest & Advance | 49 | 21 |
| MAT credit entitlement | 32,466 | - |
| Advance Tax & Tax Deducted at Source | 9,768 | 10,313 |
| Total | 46,615 | 16,539 |

Note 23 - Other current assets (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Interest accrued on fixed deposits with Banks | 1,232 | 1,463 |
| Prepaid Expenses | 1,972 | 3,910 |
| Total | 3,204 | 5,373 |

Note 24 - Revenue From Operations (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Sale of Products | | |
| Sale of Electrical Energy (Net of advance against depreciation) | 159,140 | 70,977 |
| Less: Rebate for prompt payments | 1,571 | 1,109 |
| Other Operating Revenues | | |
| Sale of Verified Emission Reduction (VERs) | 3,987 | 3,821 |
| Total | 161,556 | 73,689 |

Note 25 - Other Income (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|-----------------------------------|---|--|
| Interest on deposits with banks | 6,686 | 8,724 |
| Interest on arrears | 327 | 1,363 |
| Dividend received on Mutual Funds | - | 45 |
| Other non-operating income | | |
| Profit on sale of Fixed Assets | 1 | 1 |
| Misc. Receipts | 60 | 252 |
| Total | 7,074 | 10,385 |

Note 26 - Cost of Operation and Maintenance (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|---|--|
| Stores and Spares Consumed | 439 | 368 |
| Repair & Maintenance - Buildings | 141 | 103 |
| Repair & Maintenance - Plant & Machinery | 1,561 | 1,654 |
| Operation and Maintenance Expenses | 1,932 | 158 |
| Insurance | 863 | 405 |
| Total | 4,936 | 2,688 |

Note 27 - Employee Benefit Expense

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Salary, Wages & Bonus | 3,357 | 1,990 |
| Contribution to Provident and Other Funds | 157 | 90 |
| Gratuity | 49 | 42 |
| Leave Encashment | 53 | 5 |
| Workmen and Staff Welfare | 176 | 145 |
| Directors' Remuneration | 537 | 162 |
| Total | 4,329 | 2,434 |
| Note 28 - Finance Costs | | |
| Interest | | |
| Debentures | - | 220 |
| Foreign Currency Loan | 338 | 363 |
| Term Loans | 81,147 | 39,952 |
| Working Capital | 304 | 482 |
| Financial charges | 81,789 | 41,017 |
| DPG Commission | 112 | 133 |
| Prepayment Premium | - | 908 |
| Front end fee and other charges | 2,635 | 2,760 |
| Security & Trusteeship Fee | 1,409 | 26 |
| Total | 4,156 | 3,827 |
| Total | 85,945 | 44,844 |
| Note 29 - Depreciation and amortization expenses | | |
| Depreciation | 22,900 | 9,459 |
| Amortization of Lease Hold Land | 105 | 32 |
| Total | 23,005 | 9,491 |
| Note 30 - Other Expenses | | |
| Advertisement | 1,218 | 172 |
| Consultancy, Legal & Professional Fee | 756 | 1,574 |
| Courier & Postage | 47 | 83 |
| Directors' Sitting Fee | 15 | 20 |
| Freight and Octroi | 132 | 64 |
| Gas, Water and Electricity | 540 | 330 |
| Internal Auditors' Fee | 11 | 11 |
| Lease Rent of land | 56 | 56 |
| Listing & Custodia Fee | 53 | 63 |
| Miscellaneous Expenses | 622 | 95 |
| Printing & Stationery | 57 | 88 |
| Rent | 43 | 44 |
| Taxes & Fees | 163 | 50 |
| Telephone and Telex | 23 | 14 |
| Travelling & Conveyance | 251 | 209 |
| Vehicle Running & Maintenance | 84 | 61 |
| <u>Auditors' Remuneration</u> | | |
| For Audit | 37 | 28 |
| For Tax Audit | 4 | 4 |
| For Other Services | 3 | 3 |
| Re-imbursment of Expenses | 1 | - |
| Total | 4,116 | 2,969 |

Note - 31

In the opinion of the Board of Directors, the "Non Current Assets and Long Term 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.

Note - 32
Generation details & parameters

| Particulars | Baspa-II HEP | Vishnuprayag HEP | Karcham Wangtoo HEP | Total |
|--|--------------|------------------|---------------------|---------|
| Figures for the current reporting period, March 31, 2012 | | | | |
| Net Saleable Energy (MU) | 1221.83 | 1889.20 | 2248.12 | 5359.15 |
| Plant Availability % | 99.97 | 98.58 | 99.70 | |
| Figures for the previous reporting period, March 31, 2011 | | | | |
| Net Saleable Energy (MU) | 1291.61 | 1757.26 | - | 3048.87 |
| Plant Availability % | 98.92 | 98.84 | - | |

Note - 33
(a) Value of Imports on C.I.F. Basis

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Payment to Suppliers of Capital Equipment | 522,01 | 369 |
| Payment for suppliers of spares | 141 | 92 |

(b) Expenditure in Foreign Currency

(` in Lacs)

| Particulars | 7 | 21 |
|----------------------------------|------|------|
| Travelling (Directors') | 7 | 21 |
| Travelling (staff & others) | 2 | 6 |
| Interest & Bank Charges to Banks | 5379 | 4721 |
| Consultancy Fee | 143 | 229 |
| Advertisement | - | 5 |
| Finance Charges | 3722 | 1 |
| Others | 2 | 4 |

(c) Details of Stores & Spares Consumed (Including for Machinery and O&M)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|----------------|---|-----|--|-----|
| | ` (lacs) | % | ` (lacs) | % |
| (i) Indigenous | 521 | 98% | 282 | 67% |
| (ii) Imported | 9 | 2% | 139 | 33% |

(d) Earnings in Foreign Exchange

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Sale of Verified Emission Reductions (VERs) | 3,987 | 3,821 |
| Bank Interest on Fixed Deposits | 450 | 1,308 |

Note - 34

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

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| 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 Enterprises Development Act, 2006 | Nil | Nil |

Note 35 Contingent Liabilities:

(` in Lacs)

| | | |
|--|---------------|---------|
| (i) Outstanding amount of Letter of Credit | 41,802 | 12,331 |
| Margin Money against above | 244 | 191 |
| (ii) Outstanding amount of Bank Guarantee | 20,056 | 11,630 |
| Margin Money against above | 208 | 199 |
| (iii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | | |
| | INR 273,196 | 312,033 |
| | USD 415 | 771 |
| | Euro 165 | 219 |
| | JPY 87,071 | 124,499 |
| | Can. Dollar - | 1 |
| (iv) Claims against the Company not acknowledged as debts. | 188 | 191 |
| (v) Income tax matters under appeal | 795 | 1,895 |

(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 Company 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, 2012 is ` 3,363.60 Lacs (Previous Year ` 2,714.69 Lacs) against which the Company has deposited ` 1,834.53 Lacs.

Note - 36

Advance to Suppliers, Contractors and others shown under "Long Term Loans and Advances" in Note '17' and under "Short Term Loans & Advances" in Note '22' includes Advance to Jaiprakash Associates Limited, the holding Company under EPC Contract for ` 7,145.79 Lacs (Previous Year ` 395.14 Lacs) and ` 134.41 Lacs (Previous Year ` 3,620.86 Lacs) respectively. Maximum amount outstanding during the Year was ` 5,718.39 Lacs (Previous year ` 24,579 Lacs).

Note - 37

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

(c) 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
- (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
- (11) Jaypee Assam Cement Limited (w.e.f. 30.08.2011)
- (12) Himalayaputra Aviation Limited (w.e.f. 23.07.2011)

(d) Associate Companies/Concerns :

- (1) Jaypee Infra Ventures (A Private Company with unlimited liability) - (The erstwhile Jaypee Ventures Private limited merged in the Company w.e.f. 01.04.2011, the appointed date)
- (2) Jaypee Development Corporation Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (3) JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)

- (5) Indesign Enterprises Pvt. Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (6) Indus Hotels UK Limited (subsidiary of Indesign Enterprises Pvt. Limited) (up to 05.07.2011)
- (7) GM Global Mineral Mining Private Limited (Subsidiary of Indesign Enterprises Pvt. Limited)
- (8) Jaiprakash Agri Initiatives Company Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (9) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (10) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- (11) Anvi Hotels Private Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (12) Jaypee Uttar Bharat Vikas Private Limited
- (13) Kanpur Fertilizers and Cement limited (subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited)
- (14) RPJ Minerals Private Limited
- (15) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
- (16) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (17) Sonebhadra Minerals Private Limited
- (18) MP Jaypee Coal Limited
- (19) Madhya Pradesh Jaypee Minerals Limited
- (20) MP Jaypee Coal Fields Limited
- (21) Jaiprakash Kashmir Energy Limited
- (22) Jaypee Hotels Limited
- (23) Jaypee Mining Venture Private Limited
- (24) Ceekay Estate Private Limited
- (25) Pac Pharma Drugs and Chemicals Private Limited
- (26) Akasva Associates Private Limited
- (27) Sparton Growth Fund Private Limited - Upto 30.6.2011
- (28) Jaiprakash Exports Private Limited
- (29) Bhumi Estate Developers Private Limited
- (30) Jaypee Technical Consultants Private Limited
- (31) Essjay Enterprises Private Limited - Upto 30.6.2011
- (32) Angad Growth Fund Private Limited - Upto 30.6.2011
- (33) Andhra Cements Limited (subsidiary of Jaypee Development Corporation Limited (w.e.f. 10.02.2012))

(e) Key Management Personnel:

Jaiprakash Power Ventures Limited

- (1) Shri Manoj Gaur, Chairman
- (2) Shri Sunil Kumar Sharma, Vice Chairman and CEO
- (3) Shri Suren Jain, Managing Director and CFO
- (4) Shri R.K. Narang, Whole-time Director
- (5) Shri Suresh Chandra, Whole-time Director
- (6) Shri Dharam Paul Goyal, Whole-time Director (w.e.f. 12.08.2011)*

- (7) Shri Parveen Kumar Singh, Whole-time Director (w.e.f. 12.08.2011)*
- (8) Shri Ravindra Mohan Chadha, Whole-time Director (w.e.f. 12.08.2011)*
- (9) Shri P.K.Jain, Whole-time Director of erstwhile Bina Power Supply Company Limited (up to 30.06.2011)
- (10) Shri V.K.Sriwastava, Whole-time Director of erstwhile Bina Power Supply Company Limited (up to 25.07.2011)

* Shri Dharam Paul Goyal was Managing Director of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) up to 11.08.2011 and Shri Ravindra Mohan Chadha & Shri Praveen Kumar Singh were Whole-time Directors of erstwhile JKHCL up to 11.08.2011

(2) Transactions carried out with related parties referred to above for the Current reporting period, March 31, 2012

(` in Lacs)

| 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 | 191 | - | - | - | - |
| (Previous Year) | (41) | - | - | - | - |
| Rent | 8 | - | - | - | - |
| (Previous Year) | (40) | - | - | - | - |
| Cement | 7,352 | - | - | - | - |
| (Previous Year) | (5,360) | - | - | - | - |
| Sale of Energy | 20,559 | | | | |
| (Previous Year) | (-) | | | | |
| Other Expenses | 594 | - | 152 | 97 | - |
| (Previous Year) | (874) | - | (-) | (140) | - |
| Salary & Perquisites | - | - | - | - | 668 |
| (Previous Year) | - | - | - | - | (491) |
| Services Availed | 1 | - | - | 527 | - |
| (Previous Year) | (-) | - | - | (115) | - |
| Execution of Work | 81,037 | - | - | - | - |
| (Previous Year) | (151,286) | - | - | - | - |
| Outstandings | | | | | |
| - Payables | | | | | |
| Amount payable | 18,563 | - | - | 197 | 13 |
| (Previous Year) | (24,464) | - | - | (75) | (17) |
| Outstandings | | | | | |
| - Receivables | | | | | |
| Amount receivable | 908 | - | - | - | - |
| (Previous Year) | (3,721) | - | - | - | - |
| | | | | | |
| Investment | | | | | |
| in Subsidiaries | | | | | |
| Share Capital | - | 166,149 | - | - | - |
| (Previous Year) | - | (204,589) | - | - | - |
| Share Application Money | - | 21,565 | - | - | - |
| (Previous Year) | - | (17,395) | - | - | - |

Guarantees given by the holding Company on behalf of the Company have been mentioned elsewhere in the Notes to Financial Statements.

Note - 38

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.' (JPL) 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 by the Company and the balance 26% Equity is to be contributed by PGCIL.

Note - 39

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

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|---|--|
| [a] Net Profit for Basic Earnings Per Share as per Profit & Loss Account | 40,295 | 16,511 |
| Adjustment for the purpose of Diluted Earnings Per Share | - | - |
| Net Profit for Diluted Earnings Per Share | 40,295 | 16,511 |
| [b] Weighted average number of equity shares for Earnings Per Share computation: | | |
| [i] Number of Equity Shares at the beginning of the year | 2,095,680,200 | 2,095,680,200 |
| [ii] Number of Shares allotted on amalgamation | 529,076,923 | - |
| [iii] Number of Shares to be allotted on amalgamation | - | 529,076,923 |
| [iv] Weighted average shares to be allotted during the year on amalgamation | - | 394,872,741 |
| [v] Number of potential Equity Shares | 107,535,026 | 107,535,026 |
| [vi] Weighted average No. of Shares for calculating: | | |
| [a] Basic Earnings Per Share | 2,624,757,123 | 2,095,680,200 |
| [b] Diluted Earnings Per Share | 2,732,292,149 | 2,598,087,967 |
| [c] Earnings Per Share | | |
| [i] Basic | 1.54 | 0.79 |
| [ii] Diluted | 1.47 | 0.64 |
| [d] Face Value Per Share | 10 | 10 |

Note 40

(a) Provident Fund - Defined Contribution Plan

Employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account including Administrative and Employees Deposit Linked Insurance charges ` 157.00 Lacs during the year (Previous Year ` 90.16 Lacs) and ` 60.05 Lacs (Previous year ` 86.86 Lacs) 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):

(` in Lacs)

| 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 March 31, 2012 | | |
| | 1. Current Service Cost | 55.62 | 46.57 |
| | | (52.08) | (50.41) |
| | 2. Interest Cost | 17.47 | 13.20 |
| | | (12.01) | (11.71) |
| | 3. Employee Contribution | - (-) | - (-) |
| | 4. Actuarial (Gains)/Losses | (13.08) | (35.38) |
| | | (12.49) | (52.24) |
| | 5. Past Service Cost | - (-) | - (-) |
| | 6. Settlement Cost | - (-) | - (-) |
| | 7. Expected Return on Plan Assets | - | - |
| | | (8.28) | (-) |
| | 8. Total Expenses | 60.01 | 24.39 |
| | | (68.30) | (9.88) |
| II | Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2012 | | |
| | 1. Present Value of Defined Benefit Obligation | 267.90 | 179.64 |
| | | (205.55) | (155.25) |
| | 2. Fair Value of Plan Assets | 206.62 | - |
| | | (204.29) | (-) |
| | 3. Funded Status -Surplus/(Deficit) | (61.28) | (179.64) |
| | | (-1.26) | (-155.25) |
| | 4. Excess of actual over estimated return on Plan Assets | 18.42 | - |
| | | (0.11) | (-) |
| | 5. Net Asset/(Liability) as at March 31, 2012 | (61.28) | (179.64) |
| | | (-1.26) | (-155.25) |
| III | Change in Obligation during the Year ended March 31, 2012 | | |
| | 1. Present value of Defined Benefit obligation at the beginning of the year | 205.55 | 155.25 |
| | | (150.17) | (146.30) |
| | 2. Current Service Cost | 55.63 | 46.57 |
| | | (52.08) | (50.41) |
| | 3. Interest Cost | 17.47 | 13.20 |
| | | (12.01) | (11.70) |
| | 4. Settlement Cost | - (-) | - (-) |
| | 5. Past Service Cost | - (-) | - (-) |
| | 6. Employee Contributions | - (-) | - (-) |
| | 7. Actuarial (Gains)/Losses | 5.34 | (35.38) |
| | | (12.31) | (-52.24) |

| | | | |
|-----|---|--------------|--------------|
| | 8. Benefit Payments | (16.09) | - |
| | | (-21.02) | (-0.92) |
| | 9. Present Value of Defined Benefit Obligation at the end of the year | 267.90 | 179.64 |
| | | (205.55) | (155.25) |
| IV | Change in Assets during the Year ended March 31, 2012. | | |
| | 1. Plan Assets at the beginning of the year | 204.29 | - |
| | | (92.02) | (-) |
| | 2. Assets acquired on amalgamation in previous year | - (-) | - (-) |
| | 3. Settlements | - (-) | - (-) |
| | 4. Expected return on Plan Assets | - | - |
| | | (8.28) | (-) |
| | 5. Contribution by Employer | - | - |
| | | (125.19) | (-) |
| | 6. Actual Benefit Paid | 16.09 | - |
| | | (21.01) | (-) |
| | 7. Actuarial Gains/(Losses) | 18.42 | - |
| | | (-0.19) | (-) |
| | 8. Plan Assets at the end of the year | 206.62 | - |
| | | (204.29) | (-) |
| | 9. Actual Return on Plan Assets | 18.42 | - |
| | | (8.09) | (-) |
| V | Estimated amount of contribution in the immediate next year | 34.73 | 44.65 |
| | | (38.87) | (34.65) |
| VI | Major categories of plan assets (as percentage of total plan assets) | | |
| | Funds Managed by Insurer | 1.00 | - |
| VII | Actuarial Assumptions: | | |
| | 1. Discount Rate | 8.50%(8.00%) | 8.50%(8.00%) |
| | | LIC 1994-96 | LIC 1994-96 |
| | 3. Turnover Rate: | | |
| | Up to 30 Years | 0.02 | 0.02 |
| | From 31 to 44 years | 0.05 | 0.05 |
| | Above 44 years | 0.03 | 0.03 |
| | 4. Future Salary Increase | 0.06 | 0.06 |

Previous year figures have been given in bracket.

| Particulars | 31.03.2012 | 31.03.2011 | 31.03.2010 | 31.03.2009 |
|--|------------|------------|------------|------------|
| Gratuity- Funded: | | | | |
| a) Present Value of Defined benefit obligation | 267.90 | 205.55 | 106.39 | 35.86 |
| b) Fair value of Plan Assets | 206.62 | 204.29 | 77.32 | - |
| c) Surplus/(Deficit) in the plan | (61.28) | (1.26) | (29.08) | (35.86) |
| d) Experience gain/(loss) adjustments: | | | | |
| On Plan PBO | (5.34) | (42.35) | (42.55) | 3.90 |
| On Plan Assets | 18.42 | 6.77 | 0.27 | - |
| Leave Encashment | | | | |
| - Non Funded: | | | | |
| a) Present Value of Defined benefit obligation | 179.64 | 155.25 | 111.98 | 46.39 |
| b) Fair value of Plan Assets | - | - | - | - |
| c) Surplus/(Deficit) in the plan | (179.64) | (155.25) | (111.98) | (46.39) |
| d) Experience gain/(loss) adjustments: | | | | |
| On Plan PBO | 35.38 | 32.20 | (13.41) | 0.61 |
| On Plan Assets | - | - | - | - |

Note - 41

- (a) Pursuant to Revised Schedule-VI of the Companies Act, 1956 and Guidance Note issued by the Institute of Chartered Accountants of India requiring recognition of MAT credit in the Books of Accounts, it has been decided to opt for benefit under Section 80 (IA) of the Income Act, 1961 from a subsequent year in respect of Jaypee Karcham Hydro electric Plant. Therefore the MAT credit entitlement and Deferred Tax Liability (Net) has been recognised in the Books of Accounts from the current year. Necessary adjustments of MAT credit entitlement/Deferred Tax Liability (Net) in respect of earlier years have been disclosed in Note No. 4 under the heading "Surplus".
- (b) A provision of ` 9,265 Lacs (Previous Year ` 4,116 Lacs) towards Minimum Alternate Tax (MAT) as Tax payable under Section 115JB of Income Tax Act, 1961 has been made. 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, therefore the same has been shown as MAT Credit entitlement for the current year as per revised Schedule VI. Further an amount of ` 23,201 Lacs available to the Company as MAT Credit entitlement for earlier years have been added to "Surplus" with a corresponding debit to MAT credit entitlement under "Short Term Loans and Advances"- Ref. Note 22.
- (c) Wealth Tax Liability of ` 1.11 Lacs has been provided in Statement of Profit and Loss.

Note 42 - Statutory Auditors' Remuneration

Details of remuneration paid to Statutory Auditors' :

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|----------------------------------|---|--|
| i For Audit Fee* | 40 | 39 |
| ii For Tax Audit | 4 | 4 |
| iii For Other Services | 3 | 3 |
| iv For Reimbursement of Expenses | 1 | - |
| Total | 48 | 46 |

* Amount of ` 3 Lacs (Previous year ` 11 Lacs) has been debited to 'Incidental Expenses during Construction, pending allocation

Note - 43

- (a) A Power Purchase Agreement (PPA) for sale of 704 MW power, out of 1000 MW power from the Karcham Wangtoo HEP to Power Trading Corporation (India) Limited (PTC) was executed by erstwhile JKHCL (since merged with the Company) 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 to be 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. PTC had approached the Hon'ble High Court of Delhi with a prayer 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 of Delhi, which is pending.

During the proceedings before Hon'ble High Court of Delhi, PTC invoked the arbitration clause of the PPA against Company's stand that the PPA was void and an Arbitral Tribunal consisting of three members was constituted. The Arbitral Tribunal, by its majority Award dated 28th April, 2011, dismissed the claim of PTC and declared the PPA to be void. PTC challenged the said Award before the Hon'ble High Court of Delhi. The Learned Single Judge of the Hon'ble High Court of Delhi vide its judgment and order dated 15th May, 2012 set aside the majority Award and concluded that the PPA is not void. Company shall file an Appeal against the said judgment before the Division Bench of the Hon'ble High Court of Delhi.

(b) The Haryana Power Generation Corporation Limited (HPGCL) with whom the PTC had entered into a Power Sale Agreement (PSA) for sale of 200 MW out of 704 MW power covered by the PPA has approached Haryana Electricity Regulatory Commission (HERC) to direct the company to supply 200 MW power to PTC for onward supply to HPGCL. The Company has taken a position that HPGCL has no privity of contract with the Company and HERC has no jurisdiction in the matter. HERC has however held that it has jurisdiction in the matter and therefore the Company has filed an Appeal before the Appellate Tribunal for Electricity (APTEL) against the order of HERC. APTEL after hearing the parties has reserved its judgment in the matter.

Note - 44

300 MW BASPA-II HEP: The Company has claimed tax on income (Minimum Alternate Tax) as per actual during the tax holiday period available to the Company under section 80-IA of the Income Tax Act, 1961. Appellate Tribunal of Electricity has also confirmed the claim of the Company. HPSEB has filed an appeal with Hon'ble Supreme Court of India against the same. Accordingly the receivables to the extent of ` 8,607 Lacs (Previous year ` 7,698 Lacs) from HPSEB are subject to final decision on the application/appeal and other legal remedies.

Note - 45

- (i) 8,40,00,000 Equity Shares of ` 10/- each fully paid (Previous Year 7,50,00,000) held by the Company of Jaypee Powergrid Ltd. (Subsidiary Company) are pledged with Security Trustees, IDBI Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Jaypee Powergrid Ltd.
- (ii) 35,35,26,798 Equity Shares of ` 10/- each fully paid (previous year 25,96,86,798) held by the Company of Prayagraj Power Generation Co. Ltd. (Subsidiary Company) are pledged with Security Trustees, SBI Cap Trusteeship Services Ltd., as collateral security for the financial assistance granted by lenders to Prayagraj Power Generation Co. Ltd.

Note - 46

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

Note - 47

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.

Note - 48

All the figures have been rounded off to the nearest rupees in lacs.

Note - 49

Previous Year's figures have been regrouped/re-arranged as per revised Schedule VI to Companies Act, 1956 wherever considered necessary to make them conform to the figures for the year.

For and on behalf of the Board

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration 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 |
| | Y.K. Sharma Vice President Dated: 17th May, 2012 (F & A) | R.K. Porwal Sr. General Manager (F & A) | M.M. Sibbal Sr. General Manager & Company Secretary |

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|---|--|
| A. Cash flow from operating activities | | |
| Profit before taxation | 46,299 | 20,646 |
| <u>Add Back:</u> | | |
| Depreciation and Amortization expenses | 23,005 | 9,491 |
| Deferred Revenue on account of advance against depreciation | 7,905 | 7,905 |
| Add: (Gain)/Loss on sale of Assets | (1) | - |
| Add: Finance costs | <u>85,945</u> | <u>44,844</u> |
| <u>Deduct:</u> | | |
| Interest Income (Interest on bank deposits) | (6,686) | (8,724) |
| Interest Income (Interest on Arrears) | (327) | (1,363) |
| Dividend Income (On Mutual Funds) | - | <u>(45)</u> |
| Other Income | <u>(60)</u> | (253) |
| Operating profit before working capital changes | | |
| <u>Add:</u> | | |
| (Increase)/Decrease in Trade Receivables | (27,470) | 4,827 |
| Add: Transfer from amalgamating Company | - | - |
| (Increase)/Decrease in Inventories | (3,113) | (912) |
| Add: Transfer from amalgamating Company | - | 1,336 |
| (Increase)/Decrease in Long Term/Short Term Loans and Advances and others Current Assets | <u>(34,274)</u> | <u>(10,672)</u> |
| Add: Transfer from amalgamating Company | - | <u>23,332</u> |
| <u>Deduct:</u> | | |
| Increase (Decrease) in Current Liabilities & Other Long Term Liabilities excluding Current Maturities of Long Term Debts | 39,173 | 42,438 |
| Less: Transfer from amalgamating Company | - | 56,715 |
| Increase (Decrease) in Short Term and Long Term Provisions | 198 | 38 |
| Less: Transfer from amalgamating Company | - | <u>74</u> |
| Cash generated from Operations | <u>130,594</u> | <u>76,099</u> |
| <u>Adjustments for:</u> | | |
| Income tax paid (net of refund) | <u>(8,989)</u> | <u>(4,262)</u> |
| Net cash inflow from operating activities – 'A' | 121,605 | 71,837 |
| B. Cash flow from Investing activities | | |
| <u>Outflow</u> | | |
| Investment in Fixed Assets/Capital Work in Progress | (423,458) | (842,577) |
| Less: Transfer from amalgamating Company | - | <u>511,192</u> |
| Work in Progress | | - |
| Investment in Subsidiary | (25,678) | (89,850) |
| Less: Transfer from amalgamating Company | - | <u>-</u> |
| <u>Inflow</u> | | |
| Sale of Assets | 7 | 1 |
| Interest Income | 7,244 | 10,637 |
| Other Income | 60 | 253 |
| Net cash used in investing activities – 'B' | (441,825) | (410,344) |
| C. Cash flow from Financing activities | | |
| <u>Inflow</u> | | |
| Increase in Long Term Borrowings & Current Maturities of Long Term debt-Net | 274,429 | 669,357 |
| Less: Transfer from Transferee Company | - | <u>(330,798)</u> |
| <u>Outflow</u> | | |
| Interest & financial charges paid | <u>(85,052)</u> | <u>(44,844)</u> |
| Net cash in financing activities – 'C' | 189,377 | 293,715 |
| D. CASH AND CASH EQUIVALENT ON AMALGAMATIONS – 'D' | - | 6,337 |
| Net increase/(Decrease) in cash or cash equivalent (A + B + C + D) | (130,843) | (38,455) |
| Cash & cash equivalent at the commencement of the year (Opening balance) | 202,424 | 240,879 |
| Cash & cash equivalent at the end of the year (closing balance) | <u>71,581</u> | <u>202,424</u> |

1. Cash and Cash Equivalents:
Cash-in-hand and Balances with Scheduled Banks in Rupees [including ₹ 191 Lakhs lying in Unpaid Dividend Account (Previous Year ₹ 193 Lakhs) which are not available for use by the Company].
2. Previous year figures have been regrouped/rearranged as per revised schedule VI, wherever necessary.

For and on behalf of the Board

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: 17th May, 2012

Y.K. Sharma
Vice President (F&A)

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

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

ANNEXURE TO THE BALANCE SHEET AS AT MARCH 31, 2012

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 Generation Company Limited | Prayagraj Power Generation Company Limited | Jaypee Arunachal Power Limited | Jaypee Powergrid Limited | Jaypee Meghalaya Power Limited |
|--------|---|---|--|--------------------------------|--------------------------|--------------------------------|
| | | [A] | [B] | [C] | [D] | [E] |
| 1 | Financial Year of the Subsidiary Company ended on | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| 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 ₹ 10/- each - fully paid up | 551,977,200 | 693,189,800 | 200,000,000 | 292,000,000 | 50,000 |
| | (ii) Extent of holding | 100% | 100% | 100% | 74% | 100% |
| | (iii) Share Application Money (₹ in lacs) | – | 18,500 | 2,400 | – | 665 |
| 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: (₹ in lacs) | | | | | |
| | (i) Not dealt with in the Holding Company's Accounts: | | | | | |
| | (a) For the Financial Year of the Subsidiary | – | – | – | (142) | – |
| | (b) For the Previous Financial Years since it became the Holding Company's Subsidiary | (7) | (6) | (225) | (136) | (2) |
| | (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, 2012 | | | | | |
| | – 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, 2012 | | | | | |
| | (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

R. NAGPAL
Partner
M.No. 81594

R.K. Narang
Director

Suren Jain
Managing Director & CFO

Manoj Gaur
Chairman

Sunil Kumar Sharma
Vice Chairman & CEO

Place: Noida
Dated: 17th May, 2012

Y. K. Sharma
Vice President (F&A)

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

1. We have audited the attached consolidated Balance Sheet of **JAIPRAKASH POWER VENTURES LIMITED** and its subsidiaries, as at 31st March, 2012 and also the Consolidated Statement of Profit & Loss 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing 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.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ` 4,771.80 Crores as at 31st March 2012, total revenue of ` Nil and total Net cash flows amounting to ` 1.82 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.
4. 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.
5. 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:
 - (a) 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, 2012.
 - (b) in the case of the Consolidated Statement of Profit & Loss, of the profit of **JAIPRAKASH POWER VENTURES LIMITED** and its subsidiaries for the year ended on that date; and
 - (c) 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 Registration No.002626N

Place : Noida
Dated : 17th May, 2012

CA R. NAGPAL
Partner
M.No.81594

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

(` in Lacs)

| Particulars | Note No. | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|----------|---|--|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 262,476 | 262,476 |
| (b) Reserves and Surplus | 4 | 283,401 | 254,162 |
| (c) Money received against share warrants | | - | - |
| (d) Minority Interest (in subsidiaries) | 5 | 7,592 | 6,500 |
| (2) Share application money pending allotment | | - | - |
| (3) Deferred Revenue | 6 | 39,207 | 31,302 |
| (4) Non Current Liabilities | | | |
| (a) Long-term borrowings | 7 | 1,567,898 | 1,301,740 |
| (b) Deferred tax liabilities (net) | 8 | 12,424 | - |
| (c) Other Long-term liabilities | 9 | 6,267 | 9,746 |
| (d) Long-term provisions | 10 | 35,626 | 34,715 |
| (5) Current Liabilities | | | |
| (a) Short-term borrowings | 11 | 51 | 5,082 |
| (b) Trade payables | 12 | 120,458 | 39,570 |
| (c) Other current liabilities | 13 | 178,662 | 31,963 |
| (d) Short-term provisions | 14 | 36,564 | 1,955 |
| TOTAL | | 2,550,626 | 1,979,211 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 15 | | |
| (i) Tangible assets | 15A | 986,001 | 321,120 |
| (ii) Intangible assets | 15B | - | - |
| (iii) Capital work-in-progress | 15C | 956,533 | 1,032,429 |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 16 | 198,594 | 198,594 |
| (c) Deferred tax assets (net) | 17 | - | - |
| (d) Long-term loans and advances | 18 | 207,582 | 150,631 |
| (e) Other non-current assets | 19 | 9,661 | 10,578 |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 20 | 4,901 | 5,490 |
| (c) Trade receivables | 21 | 43,036 | 15,566 |
| (d) Cash and cash equivalents | 22 | 91,925 | 222,815 |
| (e) Short-term loans and advances | 23 | 48,278 | 16,450 |
| (f) Other current assets | 24 | 4,115 | 5,538 |
| TOTAL | | 2,550,626 | 1,979,211 |

Accounting Policies and Notes to the Accounts Note nos. 1 to 48 are integral part of the financial statements

2 (ii)

For and on behalf of the Board

As per our report of even date

FOR R. NAGPAL ASSOCIATES

CHARTERED ACCOUNTANTS
Firm Registration 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: 17th May, 2012

Y.K. Sharma

Vice President (F & A)

R.K. Porwal

Sr. General Manager (F & A)

M.M. Sibbal

Sr. General Manager &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

(` in Lacs)

| Particulars | Note No. | Figures for the current reporting period, March 31, 2012 | Figures for the previous reporting period, March 31, 2011 |
|---|----------|--|---|
| I. Revenue from operations | 25 | 161,556 | 73,689 |
| II. Other Income | 26 | 7,074 | 10,385 |
| III. Total Revenue (I+II) | | <u>168,630</u> | <u>84,074</u> |
| IV. Expenses : | | | |
| Cost of operation and maintenance | 27 | 4,936 | 2,678 |
| Purchase of Stock-in-trade | | - | - |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | | - | - |
| Employee benefits expense | 28 | 4,329 | 2,434 |
| Finance costs | 29 | 85,945 | 44,844 |
| Depreciation and amortization expense | 30 | 23,118 | 9,778 |
| Other expenses | 31 | 4,116 | 2,978 |
| Total expenses | | <u>122,444</u> | <u>62,712</u> |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | <u>46,186</u> | <u>21,362</u> |
| VI. Minority Interest | | 29 | 48 |
| VII. Profit before exceptional and extraordinary items and tax (V-VI) | | <u>46,157</u> | <u>21,314</u> |
| VIII. Exceptional items | | - | - |
| IX. Profit before extraordinary items and tax (VII-VIII) | | <u>46,157</u> | <u>21,314</u> |
| X. Extraordinary items | | - | 1,002 |
| XI. Profit before tax (IX-X) | | <u>46,157</u> | <u>20,312</u> |
| XII. Tax Expense : | | | |
| (i) Current tax (MAT) | | 9,265 | 4,116 |
| Less : MAT credit entitlement | | <u>9,265</u> | - |
| Net Current Tax | | - | 4,116 |
| (ii) Earlier years | | - | 25 |
| (iii) Previous Year - Written Off | | (124) | (4) |
| (iv) Provision of tax for earlier years reversed | | - | - |
| (v) Fringe benefit tax of earlier year written off | | - | (2) |
| (vi) Deferred tax | | <u>6,208</u> | - |
| XIII. Profit/(loss) from continuing operations (XI-XII) | | <u>40,073</u> | <u>16,177</u> |
| XIV. Profit/(loss) from discontinuing operations | | - | - |
| XV. Tax expense of discontinuing operations | | - | - |
| XVI. Profit/(loss) from discontinuing operations (after tax) (XIV-XV) | | - | - |
| XVII. Profit/(loss) for the period (XIII + XVI) | | <u>40,073</u> | <u>16,177</u> |
| XVIII. Earnings per equity share : | | | |
| Before Extraordinary items | | | |
| (i) Basic | | 1.53 | 0.82 |
| (ii) Diluted | | 1.47 | 0.66 |
| After Extraordinary items | | | |
| (i) Basic | | 1.53 | 0.77 |
| (ii) Diluted | | 1.47 | 0.62 |

Accounting Policies and Notes to the Accounts 2 (ii)
Note nos. 1 to 48 are integral part of the financial statements

As per our report of even date

FOR R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration 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
Dated: 17th May, 2012

Y.K. Sharma
Vice President (F & A)

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

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

For and on behalf of the Board

Consolidated Notes to the financial statements for the year ended March 31, 2012

Note 1-Corporate Information

Jaiprakash Power Ventures Limited a part of Jaypee Group was incorporated in the year 1994. The Company is engaged in business of generation of Power. The Company owns and operates the 300 MW Jaypee Baspa II Hydro Electric Plant at District Kinnaur, Himachal Pradesh, 400 MW Jaypee Vishnuprayag Hydro Electric Plant at District Chamoli, Uttarakhand and 1000 MW Jaypee Karcham Wangtoo Hydro Electric Plant at District Kinnaur, Himachal Pradesh. The Company is also implementing the following Thermal Power Plants:

- (a) 500 MW (Phase I) Jaypee Bina Thermal Power Plant at Village Sirchopi, District Sagar, Madhya Pradesh. It is expected to commence operations in the financial year 2012-13.
- (b) 1320 MW Jaypee Nigrie Super Critical Thermal Power Plant at District Singrauli, Madhya Pradesh. It is expected to commence operations in the financial year 2013-14.

The Company is setting up/planning following Power Plants through its subsidiaries:

- (a) 1980 MW (Phase I) Thermal Power Plant Through Prayagraj Power Generation Company Limited at Bara, District Allahabad.
- (b) 1320 MW (Phase- I) Thermal Power Plant Through Sangam Power Generation Company Limited at Karchana, District Allahabad.
- (c) 2700 MW Lower Siang and 500 MW Hirong Hydro Electric Plants Through Jaypee Arunachal Power Limited in Arunachal Pradesh.
- (d) 450 MW Kynshi and 270 MW Umngot Hydro Electric Plants Through Jaypee Meghalaya Power Limited in Meghalaya.

The Company through its subsidiary Jaypee Powergrid Limited has developed 217 Km long power transmission line to evacuate power from 1000 MW Jaypee Karcham Wangtoo Hydro electric Plant.

Note - 2

2(i) Basis of Preparation of Financial Statements

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

2(ii) Summary of 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 up to the same reporting date, as that of the Parent Company, Jaiprakash Power Ventures Limited (JPVL).
- (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 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 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 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.
- (c) 1000 MW Karcham Wangtoo HEP** : Revenue from sale of electrical energy is accounted for on the basis of billing to various buyers as per short term/medium term Power Purchase Agreements executed with them.
- (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, financing cost and foreign exchange loss/ gain, up to 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.

(c) **1000 MW Karcham Wangtoo HEP :** Depreciation has been provided @ 2.57% p.a. on straight line method on Hydro Electric Works w.e.f. 01.04.2011 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. 45/6/2011-CL-III dated 09.08.2011.

(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 ` 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 and revised Notification dated 29th December, 2011 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 the Company has a right to receive the same on or before the Balance Sheet date.

(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) Retirement and other 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 earnings 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

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.

(q) Premium on Redemption of Debentures

Premium paid/payable on Redemption of Debentures are adjusted against Securities Premium Reserve/Surplus.

(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".

Note 3 - Share Capital (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|------------------|--|----------------|
| | Number | Amount | Number | Amount |
| Authorised | | | | |
| Equity shares of ₹ 10/- each | 8,300,000,000 | 830,000 | 8,300,000,000 | 830,000 |
| Preference shares of ₹ 100/- each | 300,000,000 | 300,000 | - | - |
| Total | | 1,130,000 | | 830,000 |
| Issued, Subscribed & Paid up | | | | |
| Equity shares of ₹ 10/- each | 2,624,757,123 | 262,476 | 2,095,680,200 | 209,568 |
| Share Capital Suspense Account | - | - | 529,076,923 | 52,908 |
| Total | 2,624,757,123 | 262,476 | 2,624,757,123 | 262,476 |

Note 3.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period (₹ in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|----------------|--|----------------|
| | Equity Shares | | Equity Shares | |
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 2,095,680,200 | 209,568 | 2,095,680,200 | 209,568 |
| Shares issued during the year | 529,076,923 | 52,908 | - | - |
| Shares brought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 2,624,757,123 | 262,476 | 2,095,680,200 | 209,568 |

Amount of ₹ 52,908 Lacs was in share suspense account as on 31.03.2011 and 52,90,76,923 equity shares of ₹ 10/- each were allotted during the year, consequent to amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited, (JKHCL) and erstwhile Bina Power Supply Company Limited, (BPSCCL) with the Company from the appointed date i.e. 01.04.2010.

Note 3.2 The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital Equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share and entitled to dividend.

Preference shares having a par value of ₹ 100/- per share, with power to the Company to convert Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach there to respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the provisions of Articles of Association of the Company and the provisions of the Companies Act, 1956. Preference share holders are entitled to dividend at a fixed rate and is not entitled to vote at the General Meeting of the Company. The Company has not issued any class of Preference shares.

Note 3.3 Equity Shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

178,30,00,600 equity shares are held by Jaiprakash Associates Limited, the holding company.

21,46,22,624 equity shares are held by Jaypee Infra Ventures (A Private Company with unlimited liability) associate company of Jaiprakash Associates Limited.

Note 3.4 Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

| Name of Shareholder | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--|---|--------------|--|--------------|
| | No. of equity shares held | % of holding | No. of equity shares held | % of holding |
| Jaiprakash Associates Limited | 1,783,000,600 | 67.93 | 1,598,000,600 | 76.25 |
| Jaypee Infra Ventures (A Private Company with unlimited liability) | 214,622,624 | 8.18 | 225,190,622 | 10.75 |
| JPVL Trust | 344,076,923 | 13.11 | - | - |

Note 3.5 - Shares reserved for issue under options and contracts/ commitments for the sale of shares/disinvestments, including terms and amounts

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US\$ 1.00 Lacs each aggregating to US\$ 200 Million at par on 12.02.2010. These Bonds are convertible at the option of the bondholders into equity shares of ₹ 10/- each fully paid up at the conversion price of ₹ 85.8139 per share, subject to the terms of issue with a fixed exchange rate of ₹ 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 till date upto financial year 2011-12.

The bonds are redeemable at maturity on 13.02.2015 at a YTM of 7% p.a. inclusive of coupon rate of 5% p.a. [value as on 31.03.2012 in US\$ 1.04 Lacs (Previous Year - US\$1.02 Lacs) for a principal amount of US\$ 1.00 Lacs each]. A reserve aggregating to ₹ 3,935 Lacs up to 31.03.2012 (Previous year- ₹ 2,089 Lacs) has been created for the redemption premium.

No shares reserved for issue under options and contracts/ commitments for the sale of shares/disinvestments.

Note 3.6 - Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash, allotment by way of bonus shares or shares bought back

| Particulars | Year (Aggregate no. of shares) | |
|--|--------------------------------|---------------|
| | 2011-12 | 2010-11 |
| Equity Shares | | |
| Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaiprakash Power Ventures Limited with Jaiprakash Hydro-Power Limited (renamed as Jaiprakash Power Ventures Limited) w.e.f 01.04.2009 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 14.12.2009, effective from 14.12.2009. | 1,604,679,600 | 1,604,679,600 |

| Particulars | Year (Aggregate no. of shares) | |
|---|--------------------------------|-------------|
| | 2011-12 | 2010-11 |
| Equity Shares | | |
| Fully paid up equity shares allotted for consideration other than cash in terms of Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited with Jaiprakash Power Ventures Limited w.e.f 01.04.2010 (the appointed date), as sanctioned by Hon'ble High Court of Himachal Pradesh at Shimla vide Order dated 25.07.2011, effective from 26.07.2011. | 529,076,923 | 529,076,923 |
| Fully paid up by way of bonus shares | - | - |
| Shares bought back | - | - |

Note 3.7 - Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--|---|--------|--|--------|
| | Number | Amount | Number | Amount |
| 5% Foreign Currency Convertible Bonds (FCCB) | 107,535,026 | 10,754 | 107,535,026 | 10,754 |

The Company had issued 2,000 Nos. 5% Foreign Currency Convertible Bonds (FCCB) of US\$ 1.00 Lacs each aggregating to US\$ 200 Million at par on 12.02.2010. These Bonds are convertible at the option of the bondholders into equity shares of ` 10/- each fully paid up at the conversion price of ` 85.8139 per share, subject to the terms of issue with a fixed exchange rate of ` 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.

Note 3.8 - Calls unpaid (showing aggregate value of calls unpaid by directors and officers)

There are no calls unpaid including by directors and officers of the Company.

Note 3.9 - Forfeited shares (amount originally paid up)

No shares have been forfeited

Note 4 - Reserves and Surplus

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--|---|---|--|-------|
| | 1. Securities Premium Reserve | | | |
| Opening Balance | 4,342 | | 28,601 | |
| Less : Transfer to Provision for Premium on Redemption of Debentures | 4,342 | - | 24,259 | 4,342 |

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---|---|----------------|--|----------------|
| | 2. Debenture Redemption Reserve | | | |
| Opening Balance | 27,768 | | 4,832 | |
| Add : Provisions for the year | 27,737 | | 27,736 | |
| Less : Transfer to Statement of profit & loss on redemption | - | 55,505 | 4,800 | 27,768 |
| 3. General Reserve | | | | |
| Opening Balance | 4,785 | | 4,785 | |
| Add : Transfer from Statement of profit & loss | - | 4,785 | - | 4,785 |
| 4. Capital Reserve on Amalgamation | | | | |
| Opening Balance | 134,411 | | - | |
| Add : On amalgamation of JKHCL & BPSCL | - | | 230,692 | |
| Less : Goodwill written off | - | 134,411 | 96,281 | 134,411 |
| 5. Reserve for Premium on Foreign Currency Convertible Bonds | | | | |
| Opening Balance | 2,089 | | 243 | |
| Add : Provisions for the year | 1,846 | 3,935 | 1,846 | 2,089 |
| 6. Surplus | | | | |
| Opening Balance | 80,767 | | 88,861 | |
| Add : Profit transferred from Amalgamating Company | - | | (286) | |
| Add : Profit After Tax during the year | 40,073 | | 16,177 | |
| Add : Debenture Redemption Reserve Written Back | - | | 4,800 | |
| Add : MAT credit for earlier years | 23,201 | | - | |
| Less : Deferred tax liability of earlier years | 6,216 | | - | |
| Less : Debenture Redemption Reserve for the year | 27,736 | | 27,736 | |
| Less : Provision for Premium on Redemption of Debenture | 23,507 | | - | |
| Add : Minority Share holders interest for appropriation | 29 | | 48 | |
| Add : Amortisation of goodwill reversed on a/c of amalgamation of BPSCL | - | | 749 | |
| Less : Reserve for Premium on Foreign Currency Convertible Bonds | 1,846 | 84,765 | 1,846 | 80,767 |
| Total | | 283,401 | | 254,162 |

Note 5 - Minority interest (in subsidiaries)

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--------------|---|-------|--|-------|
| | Minority interest (in subsidiaries) | 7,592 | | 6,500 |
| Total | 7,592 | | 6,500 | |

Note 6 - Deferred Revenue

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|------------------------------|---|---------------|--|---------------|
| Advance against depreciation | | | | |
| Opening Balance | 31,302 | | 23,397 | |
| Addition during the year | 7,905 | 39,207 | 7,905 | 31,302 |
| Total | | 39,207 | | 31,302 |

As per accounting policy, the Advance against Depreciation amounting to ` 7,905 lacs (Previous Year ` 7,905 lacs) has been treated as Deferred Revenue.

Non Current Liabilities

Notes 7 - Long-term borrowings

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|---------------------------------------|---|------------------|--|------------------|
| "A" Secured Loans | | | | |
| Bonds/Debentures | | | | |
| Redeemable Non-Convertible Debentures | | 98,259 | | 198,257 |
| Term Loans | | | | |
| Rupee Loan | | | | |
| - from Financial Institutions | 204,639 | | 192,660 | |
| - from Banks | 1,149,355 | | 749,268 | |
| Foreign Currency Loan | | | | |
| - from Banks | 170 | | 254 | |
| - from Financial Institutions | 7,905 | 1,362,069 | 64,798 | 1,006,980 |
| Working Capital - From Banks | | 600 | | 1,800 |
| From other parties | | | | |
| Foreign Currency | | | | |
| - Buyers' Credit | | 3,870 | | 4,803 |
| Total "A" | | 1,464,798 | | 1,211,840 |
| "B" Unsecured Loans | | | | |
| - Foreign Currency | | | | |
| Convertible Bonds | | 102,600 | | 89,400 |
| Others | | | | |
| Govt. of Uttarakhand | | 500 | | 500 |
| Total "B" | | 103,100 | | 89,900 |
| Total "A + B" | | 1,567,898 | | 1,301,740 |

Note 8 - Deferred Tax Liabilities (Net)

| | | |
|------------------------------------|---------------|----------|
| Deferred Tax Liabilities | | |
| On account of Depreciation | 16,450 | - |
| Total "A" | 16,450 | - |
| Deferred tax assets | | |
| On account of loss carried forward | 3891 | - |
| On account of employee benefits | 135 | - |
| Total "B" | 4,026 | - |
| Total "A-B" | 12,424 | - |

Notes 9 - Other Long Term Liabilities

| | | |
|----------------|--------------|--------------|
| Trade Payables | 5,013 | 2,351 |
| Others | 1,254 | 7,395 |
| Total | 6,267 | 9,746 |

Notes 10 - Long Term Provisions

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|-------------------------------------|---|---------------|--|---------------|
| a) Provision for employee benefits | | | | |
| Gratuity | 35 | | 14 | |
| Leave Encashment | 172 | 207 | 185 | 199 |
| b) Others | | | | |
| Wealth Tax | 3 | | 3 | |
| Income Tax | 10,305 | | 10,254 | |
| Premium on redemption of debentures | 25,111 | 35,419 | 24,259 | 34,516 |
| Total | | 35,626 | | 34,715 |

Current Liabilities

Note 11 - Short-term borrowings

| | | |
|------------------------------|-----------|--------------|
| Secured Loans | | |
| Loans repayable on demand | | |
| Rupee Loan | | |
| - from Banks | - | 5,042 |
| Working Capital - From Banks | 51 | 40 |
| Total | 51 | 5,082 |

Note 12 - Trade Payables

| | | |
|----------------|----------------|---------------|
| Trade Payables | 120,412 | 39,544 |
| Others | 46 | 26 |
| Total | 120,458 | 39,570 |

Note 13 - Other Current Liabilities

| | | |
|--|----------------|---------------|
| Current maturities of long-term debt | | |
| "A" Secured Loans | | |
| Bonds/Debentures | | |
| Redeemable Non-Convertible Debentures | 99,998 | - |
| Term Loans | | |
| - from Financial Institutions | 3,821 | 2,009 |
| - from Banks | 65,991 | 20,812 |
| Foreign Currency Loan | | |
| - from Banks | 134 | 127 |
| - from Financial Institutions | 395 | 1,482 |
| From other parties | | |
| Foreign Currency - Buyer's Credit | 1,744 | 1,609 |
| Working Capital | | |
| - from Banks | 1,200 | 1,200 |
| "B" Unsecured Loans | | |
| Govt. of Uttarakhand | 500 | 500 |
| ii) Interest accrued but not due on borrowings | 3,201 | 2,264 |
| iii) Investors' Education & Protection Fund : | | |
| (Appropriate amount shall be transferred to Investors' Education & Protection Fund, if and when due) | | |
| - Unclaimed Dividend | 191 | 193 |
| iv) Other payables | 1,487 | 1,767 |
| Total | 178,662 | 31,963 |

Notes 14 - Short Term Provisions

| | | |
|-------------------------------------|---------------|--------------|
| a) Provision for employee benefits | | |
| Gratuity | 61 | 5 |
| Leave Encashment | 65 | 4 |
| Bonus & Incentive | 178 | 62 |
| b) Others | | |
| Income Tax | 9,265 | 1,884 |
| Premium on redemption of debentures | 26,995 | 36,260 |
| Total | 36,564 | 1,955 |

Note 15 - Fixed Assets

Note 15A - Tangible Assets

(` in Lacs)

| S. No. | Particulars | GROSS CARRYING AMOUNT | | | | | DEPRECIATION / AMORTIZATION | | | | | NET CARRYING AMOUNT | |
|--------|---------------------|-----------------------|---------------------------|---------------------------|-------------------|------------------|-----------------------------|---------------|---------------------------|-------------------|-----------------|---------------------|------------------|
| | | As on 1.04.2011 | Additions during the Year | Disposals during the Year | Other Adjustments | As on 31.03.2012 | Upto 31.03.2011 | For the Year | Disposals during the Year | Other Adjustments | Upto 31.03.2012 | As on 31.03.2012 | As on 31.03.2011 |
| | | 1 | Goodwill on Consolidation | 19 | - | - | - | 19 | 4 | 2 | - | - | 6 |
| 2 | Land | | | | | | | | | | | | |
| | Lease Hold | 3,473 | 60 | - | - | 3,533 | 718 | 141 | - | - | 859 | 2,674 | 2,755 |
| | Free Hold | 19,153 | 19 | - | - | 19,172 | - | - | - | - | - | 19,172 | 19,153 |
| 3 | Buildings | 18,586 | 7,366 | - | - | 25,952 | 1,867 | 414 | - | - | 2,281 | 23,671 | 16,719 |
| 4 | Plant & Machinery | 337,086 | 678,275 | - | 2,035 | 1,017,396 | 55,966 | 22,731 | - | - | 78,697 | 938,699 | 281,120 |
| 5 | Furniture & Fixture | 263 | 94 | - | - | 357 | 92 | 48 | - | - | 140 | 217 | 171 |
| 6 | Vehicles | 969 | 139 | 12 | - | 1,096 | 250 | 83 | 9 | - | 324 | 772 | 719 |
| 7 | Office Equipments | 596 | 378 | 1 | - | 973 | 128 | 62 | - | - | 190 | 783 | 468 |
| | Total | 380,145 | 686,331 | 13 | 2,035 | 1,068,498 | 59,025 | 23,481 | 9 | - | 82,497 | 986,001 | 321,120 |
| | PREVIOUS YEAR | 483,024 | 11,738 | 114,488 | 129 | 380,145 | 60,246 | 10,230 | 11,451 | - | 59,025 | 321,120 | |

Note :
 1 Depreciation on Assets of Projects under implementation amounting to ` 363 Lacs (Previous Year ` 718 Lacs) has been charged to Pre-operative Expenses of New Projects pending Capitalisation.
 2 Other adjustment is on account of exchange fluctuation (profit) / loss on the valuation of Foreign Currency Loans for the purchase of Plant & Machinery at the exchange rate prevailing on the date of Balance Sheet.

Note 15 B - Intangible Assets

(` in Lacs)

| S. No. | Particulars | GROSS CARRYING AMOUNT | | | | | DEPRECIATION / AMORTIZATION | | | | | NET CARRYING AMOUNT | |
|--------|---------------|-----------------------|--------------------------------------|---------------------------|-------------------|------------------|-----------------------------|--------------|---------------------------|-------------------|-----------------|---------------------|------------------|
| | | As on 1.04.2011 | Additions during the Year | Disposals during the Year | Other Adjustments | As on 31.03.2012 | Upto 31.03.2011 | For the Year | Disposals during the Year | Other Adjustments | Upto 31.03.2012 | As on 31.03.2012 | As on 31.03.2011 |
| | | 1 | Intangible Assets- Computer Software | 3 | - | - | - | 3 | 3 | - | - | - | 3 |
| | Total | 3 | - | - | - | 3 | 3 | - | - | - | 3 | - | - |
| | PREVIOUS YEAR | 3 | - | - | - | 3 | 3 | - | - | - | 3 | - | - |

Note 15 C : Capital work in progress and Incidental expenditure during construction pending allocation

(` in Lacs)

| Sl. No. | Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|-----------|--|---|--------|--|--------|
| A. | Direct cost of project under construction | | | | |
| | Opening Balance | 791,415 | | 157,005 | |
| | Add : Addition during the year | 482,872 | | 634,410 | |
| | Less : Capitalisation during the year | 539,421 | | - | |
| | Balance Capital Work in Progress (A) | <u>734,866</u> | | <u>791,415</u> | |
| B. | Incidental Expenditure During Construction pending allocation | | | | |
| | Opening Balance | 241,014 | | 147,347 | |
| | Add : Addition during the year | | | | |
| | Employee Benefit Expense | | | | |
| | Salary, Wages, Bonus and other benefit | 3,397 | | 2,614 | |
| | Contribution to Provident and Other Funds | 80 | | 104 | |
| | Gratuity | 35 | | 38 | |
| | Staff Welfare Expenses | 205 | | 157 | |
| | Directors' Remuneration | 66 | 3,783 | 243 | 3,156 |
| | Finance Costs | | | | |
| | Interest | | | | |
| | Term Loans | 73,329 | | 85,021 | |
| | Financial charges | | | | |
| | Front end fee and other charges | 4,810 | 78,139 | 465 | 85,486 |
| | Depreciation and amortization expenses | | 363 | | 718 |
| | Other Expenses | | | | |
| | Advertisement Expenses | 108 | | 79 | |
| | Bank Charges & Guarantee Commission | 522 | | 180 | |
| | Bidding expenses | 1 | | 5 | |
| | Bonus paid for early Commissioning | 1,291 | | - | |
| | Catchment Area Treatment Plan | - | | 474 | |
| | Compensation for Land | 1,310 | | - | |
| | Compensation for Trees and Buildings | 2,209 | | 1,289 | |
| | Directors' Sitting Fee | 5 | | 15 | |

| | | |
|---|----------|-----------|
| Environmental Management | | |
| Plan Monitoring Cost | 7,630 | 308 |
| Freight & Octroi Charges: Freight | 1,205 | 677 |
| Insurance - Others | 1,327 | 1,678 |
| Internal Auditors' Fee | 2 | 7 |
| Legal & Professional & Consultancy Charges | 4,007 | 3,676 |
| Licence and application fees | 37 | 20 |
| Local Area Development | 7,410 | 763 |
| Miscellaneous Expenses | 1,991 | 946 |
| Overhead line connection charges | 73 | 50 |
| Postage & Couriers Expense | 2 | 2 |
| Power, Water & Electricity Charges | 448 | 219 |
| Printing & Stationery Expenses | 21 | 23 |
| Rates & Taxes | 158 | 64 |
| Rehabilitation and resettlement expenses | 37 | 187 |
| Rent | 132 | 186 |
| Royalty paid | 35 | 14 |
| Security & Medical charges | 558 | - |
| Telephone Expenses | 38 | 30 |
| Travelling Expenses | 506 | 474 |
| Vehicle Running & Maintenance Expenses | 328 | 268 |
| Auditor's Remuneration | | |
| - Audit Fee | 12 | 20 |
| - Tax Audit Fee | - | 1 |
| - Reimbursement of expenses | 1 | 31,404 |
| Less : Other income | | |
| Transferred to Jaypee Meghalaya Power Ltd. (Wholly owned subsidiary) | - | 360 |
| Interest Earned on Deposits | 3,031 | 4,642 |
| Foreign exchange variation | (12,264) | 1,761 |
| Infirm Energy | 754 | - |
| Excess provision (previous years) written back | 563 | (7,916) |
| Less : Capitalisation during the year | | 140,952 |
| Balance Incidental expenditure during construction pending allocation (B) | | 221,667 |
| Total A + B | | 956,533 |
| | | 1,032,429 |

Note 16 - Non-current investments

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--|---|--|
| Investments in Equity Instruments | | |
| INVESTMENTS (AT COST) | | |
| Investment in Beneficiary Trust (Unquoted) | | |
| JPVL Trust | 198,594 | 198,594 |
| Total | 198,594 | 198,594 |

Note :

- Aggregate cost of :
 - Quoted Investments (Market Value ` Nil)
(Previous Year- ` Nil) -
 - Unquoted (Previous Year ` 1,98,594)
(See Note No. 2) 198,594
- Pursuant to Scheme of Amalgamation of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) and erstwhile Bina Power Supply Company Limited (BPSCL) with the Company, sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla, JPVL Trust was created on 3rd June, 2011 to hold Equity Shares allotted upon amalgamation in accordance with the share exchange ratio in terms of the said Scheme. Upon sanction of the said Scheme, the cross holdings were not cancelled and were transferred to JPVL Trust in which the Company is the sole beneficiary. Accordingly, 21,70,00,000 Equity Shares in respect of erstwhile JKHCL and 12,70,76,923 Equity Shares in respect of erstwhile BPSCL held by the Company, were transferred to JPVL Trust, as per the approved Share Exchange Ratio.
- All Investments are Non-trade, Long Term Investments

Note 17 - Deferred tax assets (net)

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---------------------|---|--|
| Deferred tax assets | - | - |
| Total | - | - |

Note 18 - Long-term loans and advances

| | | |
|---------------------------------------|----------------|----------------|
| Secured, Considered Good | - | - |
| Unsecured, Considered Good | | |
| Capital Advance | 155,755 | 130,773 |
| Security Deposits | | |
| a) With Govt. Deptt. | 9,806 | 8,340 |
| b) With Related Parties | 100 | 100 |
| c) With Others | 2,934 | 6 |
| Loans and advances to related parties | 12,840 | 8,446 |
| | 19,320 | 4,658 |
| Other loans and advances | | |
| Advance Income Tax and TDS | 10,572 | 2,748 |
| Advances to suppliers | 9,095 | 4,006 |
| Total | 207,582 | 150,631 |

Note 19 - Other non-current assets

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|--------------------------------|---|--|
| Long term trade receivables | 3,542 | 4,427 |
| Others | | |
| Interest receivable from HPSEB | 1,588 | 1,588 |
| Pre-paid Expenses | 4,531 | 4,563 |
| Total | 9,661 | 10,578 |

Current Assets

Note 20 - Inventories

| | | |
|--|--------------|--------------|
| Raw Material | - | - |
| Work-in-progress | - | - |
| Stores and Spares - at weighted average cost | 4,901 | 5,490 |
| Others | - | - |
| Total | 4,901 | 5,490 |

Note 21 - Trade receivables

| | | |
|---------------------------------------|---------------|---------------|
| Secured, considered good | - | - |
| Unsecured, considered good | | |
| Due for a period exceeding six months | 5,056 | 5,262 |
| Due for a period less than six months | 37,980 | 10,304 |
| Total | 43,036 | 15,566 |

Note 22 - Cash and cash equivalents

| | | |
|--|---------------|----------------|
| Balances with Scheduled Banks | | |
| (i) In Current Account | 4,272 | 28,513 |
| (ii) In Fixed Deposits | | |
| (a) Having maturity of more than twelve months | 7,230 | - |
| (b) Other deposits | 57,534 | 125,220 |
| (iii) In Fixed Deposits pledged with Govt. Deptt./Banks having a maturity of less than twelve months | 1,198 | 6,255 |
| (iv) Trust & Retention accounts | | |
| (a) In Current Account | 11,182 | 33,921 |
| (b) In Fixed Deposits having a maturity of less than twelve months | 10,255 | 28,642 |
| (v) In Unclaimed Dividend account | 191 | 193 |
| Cheques, draft on hand | 2 | 222,744 |
| Cash In hand | 61 | - |
| Total | 91,925 | 222,815 |

Unit wise Trust and Retention Accounts are maintained pursuant to the stipulations of the 'Financing Agreements' executed with the respective Lenders.

Note 23 - Short-term loans and advances

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Others | | |
| Unsecured, considered Good | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| Others | 5,436 | 2,155 |
| Related Parties | 134 | 5,776 |
| Staff Imprest & Advance | 66 | 38 |
| MAT credit entitlement | 32,466 | - |
| Advance Tax & Tax Deducted at Source | 10,176 | 10,636 |
| Total | 48,278 | 16,450 |

Note 24 - Other current assets

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Interest accrued on fixed deposits with Banks | 1,355 | 1,470 |
| Prepaid Expenses | 2,760 | 4,068 |
| Total | 4,115 | 5,538 |

Note 25 - Revenue From Operations

| | | |
|---|----------------|---------------|
| Sale of Products | | |
| Sale of Electrical Energy (Net of advance against depreciation) | 159,140 | 70,977 |
| Less: Rebate for prompt payments | 1,571 | 1,109 |
| Other Operating Revenues | 157,569 | 69,868 |
| Sale of Verified Emission Reduction (VERs) | 3,987 | 3,821 |
| Total | 161,556 | 73,689 |

Note 26 - Other income

| | | |
|-----------------------------------|--------------|---------------|
| Interest on deposits with banks | 6,686 | 8,724 |
| Interest on arrears | 327 | 1,363 |
| Dividend received on Mutual Funds | - | 45 |
| Other non-operating income | | |
| Profit on sale of Fixed Assets | 1 | - |
| Misc. Receipts | 60 | 253 |
| Total | 7,074 | 10,385 |

Note 27 - Cost of Operation and Maintenance

| | | |
|--|--------------|--------------|
| Stores and Spares Consumed | 439 | 368 |
| Repair & Maintenance - Buildings | 141 | 103 |
| Repair & Maintenance - Plant & Machinery | 1,561 | 1,644 |
| Operation and Maintenance Expenses | 1,932 | 158 |
| Insurance | 863 | 405 |
| Total | 4,936 | 2,678 |

Note 28 - Employee Benefit Expense

| | | |
|---|--------------|--------------|
| Salary, Wages & Bonus | 3,357 | 1,990 |
| Contribution to Provident and Other Funds | 157 | 90 |
| Gratuity | 49 | 42 |
| Leave Encashment | 53 | 5 |
| Workmen and Staff Welfare | 176 | 145 |
| Directors' Remuneration | 537 | 162 |
| Total | 4,329 | 2,434 |

Note 29 - Finance Costs

| | | |
|---------------------------------|---------------|---------------|
| Interest | | |
| Debentures | - | 220 |
| Foreign Currency Loan | 338 | 363 |
| Term Loans | 81,147 | 39,952 |
| Working Capital | 304 | 482 |
| Financial charges | 81,789 | 41,017 |
| DPG Commission | 112 | 132 |
| Prepayment Premium | - | 908 |
| Front end fee and other charges | 2,635 | 2,761 |
| Security & Trusteeship Fee | 1,409 | 26 |
| Total | 85,945 | 44,844 |

Note 30 - Depreciation and amortization expenses

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| Depreciation | 23,013 | 9,461 |
| Amortization of Lease Hold Land and miscellaneous expenditure | 105 | 317 |
| Total | 23,118 | 9,778 |

Note 31 - Other Expenses

| | | |
|---------------------------------------|--------------|--------------|
| Advertisement | 1,218 | 172 |
| Consultancy, Legal & Professional Fee | 756 | 1,574 |
| Courier & Postage | 47 | 83 |
| Directors' Sitting Fee | 15 | 20 |
| Freight and Octroi | 132 | 64 |
| Gas, Water and Electricity | 540 | 330 |
| Internal Auditors' Fee | 11 | 11 |
| Lease Rent of land | 56 | 56 |
| Listing & Custodia Fee | 53 | 63 |
| Miscellaneous Expenses | 622 | 104 |
| Printing & Stationery | 57 | 88 |
| Rent | 43 | 44 |
| Taxes & Fees | 163 | 50 |
| Telephone and Telex | 23 | 14 |
| Travelling & Conveyance | 251 | 209 |
| Vehicle Running & Maintenance | 84 | 61 |
| Auditors' Remuneration | | |
| For Audit | 37 | 28 |
| For Tax Audit | 4 | 4 |
| For Other Services | 3 | 3 |
| Re-imbusement of Expenses | 1 | 45 |
| Total | 4,116 | 2,978 |

Note 32 - Subsidiary

The Consolidated Financial Statements present the Consolidated Accounts of Jaiprakash Power Ventures Limited with its following Subsidiaries:

| Sl. 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 | India | 100% |

Note - 33

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.

Note - 34

In the opinion of the Board of Directors, the "Non Current Assets and Long Term 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.

Note 35

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

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | Figures as at the end of previous reporting period, March 31, 2011 |
|---|---|--|
| 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 Enterprises 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 Enterprises Development Act, 2006 | Nil | Nil |

Note 36 - Contingent Liabilities

| | | |
|--|---------------|-----------|
| (i) Outstanding amount of Letter of Credit | 48,333 | 16,452 |
| Margin Money deposited against the above | 244 | 208 |
| (ii) Outstanding amount of Bank Guarantee | 21,028 | 12,602 |
| Margin Money deposited against the above | 800 | 658 |
| (iii) Estimated amount of Contracts remaining to be executed on capital account and not provided for | INR 1,027,077 | 1,101,042 |
| | USD 3,075 | 3,744 |
| | Euro 3,103 | 3,179 |
| | JPY 284,152 | 321,581 |
| | Can Doll. – | 1 |
| (iv) Claims against the Company not acknowledged as debts | 4,171 | 2,23 |
| (v) Income Tax matters under appeal | 795 | 1,895 |

(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, 2012 is ` 3,363.60 Lacs (Previous Year ` 2,714.69 Lacs) against which Company has deposited ` 1,834.53 Lacs.

Note - 37

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
- (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
- (11) Jaypee Assam Cement Limited (w.e.f. 30.08.2011)
- (12) Himalayaputra Aviation Limited (w.e.f. 23.07.2011)

(c) Associate Companies/Concerns :

- (1) Jaypee Infra Ventures (A Private Company with unlimited liability) - (The erstwhile Jaypee Ventures Private limited merged in the Company w.e.f. 01.04.2011, the appointed date)
- (2) Jaypee Development Corporation Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (3) JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- (5) Indesign Enterprises Pvt. Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (6) Indus Hotels UK Limited (subsidiary of Indesign Enterprises Pvt. Limited) (upto 15.07.2011)
- (7) GM Global Mineral Mining Private Limited (Subsidiary of Indesign Enterprises Pvt. Limited)
- (8) Jaiprakash Agri Initiatives Company Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (9) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))
- (10) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- (11) Anvi Hotels Private Limited (subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))

- (12) Jaypee Uttar Bharat Vikas Private Limited
- (13) Kanpur Fertilizers and Cement limited (subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited)
- (14) RPJ Minerals Private Limited
- (15) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
- (16) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (17) Sonebhadra Minerals Private Limited
- (18) MP Jaypee Coal Limited
- (19) Madhya Pradesh Jaypee Minerals Limited
- (20) MP Jaypee Coal Fields Limited
- (21) Jaiprakash Kashmir Energy Limited
- (22) Jaypee Hotels Limited
- (23) Jaypee Mining Venture Private Limited
- (24) Ceekay Estate Private Limited
- (25) Pac Pharma Drugs and Chemicals Private Limited
- (26) Akasva Associates Private Limited
- (27) Sparton Growth Fund Private Limited- Upto 30.6.2011
- (28) Jaiprakash Exports Private Limited
- (29) Bhumi Estate Developers Private Limited
- (30) Jaypee Technical Consultants Private Limited
- (31) Essjay Enterprises Private Limited-Upto 30.6.2011
- (32) Angad Growth Fund Private Limited-Upto 30.6.2011
- (33) Andhra Cements Limited (subsidiary of Jaypee Development Corporation Limited w.e.f. 10.02.2012)

(d) Key management Personnel:

(i) Jaiprakash Power Ventures Limited

- (1) Shri Manoj Gaur, Chairman
- (2) Shri Sunil Kumar Sharma, Vice Chairman and CEO
- (3) Shri Suren Jain, Managing Director and CFO
- (4) Shri R.K. Narang, Whole-time Director
- (5) Shri Suresh Chandra, Whole-time Director
- (6) Shri Dharam Paul Goyal, Whole-time Director (w.e.f. 12.08.2011)*
- (7) Shri Parveen Kumar Singh, Whole-time Director (w.e.f. 12.08.2011)*
- (8) Shri Ravindra Mohan Chadha, Whole-time Director (w.e.f. 12.08.2011)*
- (9) Shri P.K.Jain, Whole-time Director of erstwhile Bina Power Supply Company Limited (up to 30.06.2011)
- (10) Shri V.K.Sriwastava, Whole-time Director of erstwhile Bina Power Supply Company Limited (up to 25.07.2011)

* Shri Dharam Paul Goyal was Managing Director of erstwhile Jaypee Karcham Hydro Corporation Limited (JKHCL) up to 11.08.2011 and Shri Ravindra Mohan Chadha & Shri Praveen Kumar Singh were Whole-time Directors of erstwhile JKHCL up to 11.08.2011

(ii) Jaypee Powergrid Limited

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

(iii) Prayagraj Power Generation Company Limited

- (1) Shri Rakesh Sharma, Managing Director(Upto 31.03.2012)
- (2) Shri H.K.Sharma, Managing Director (w.e.f. 01.03.2012)
- (3) Shri Ramesh Chandra Shrivastav, Whole-time Director (up to 16.04.2011)

(iv) Sangam Power Generation Company Limited

- (1) Shri Rakesh Sharma, Managing Director (Up to 12.05.2011)
- (2) Shri Siddheshwar Sen, Whole-time Director
- (3) Shri V.K.Agarwal, Whole-time Director (Up to 03.11.2011)

(v) Jaypee Arunachal Power Limited

- (1) Shri Pankaj Gaur, Managing Director

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

(` in Lacs)

| 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 | 191 | - | - | - |
| (Previous Year) | (41) | - | - | - |
| Rent | 17 | - | - | - |
| (Previous Year) | (40) | - | - | - |
| Cement | 9,772 | - | - | - |
| (Previous Year) | (5,643) | - | - | - |
| Sale of Energy | 20,559 | - | - | - |
| (Previous Year) | (-) | - | - | - |
| Other Expenses | 641 | 152 | 101 | - |
| (Previous Year) | (1,015) | (-) | (154) | - |
| Consultancy | - | - | 1,125 | - |
| (Previous Year) | - | - | (-) | - |
| | | | (154) | - |
| Salary & Perquisites | - | - | - | 857 |
| (Previous Year) | - | - | - | (729) |
| Services Availed | 2 | - | 527 | - |
| (Previous Year) | (1) | - | (999) | - |
| Execution of Work | 101,953 | - | - | - |
| (Previous Year) | (157,280) | - | - | - |
| Outstandings | | | | |
| - Payables | | | | |
| Amount payable | 18,563 | - | 197 | 13 |
| (Previous Year) | (24,527) | - | (78) | (17) |
| Outstandings | | | | |
| - Receivables | | | | |
| Amount receivable | 9,284 | - | - | - |
| (Previous Year) | (6,766) | - | - | - |

Guarantees given by the holding Company on behalf of the Company have been mentioned elsewhere in the Notes to Financial Statements.

Note - 38

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

| Particulars | (` in Lacs) | |
|--|---------------|---------------|
| | 2011-12 | 2010-11 |
| [a] Net Profit for Basic Earnings Per Share as per Profit & Loss Account | 40,073 | 16,177 |
| Adjustment for the purpose of Diluted Earnings Per Share | - | - |
| Net Profit for Diluted Earnings Per Share | 40,073 | 16,177 |
| [b] Weighted average number of equity shares for Earnings Per Share computation: | | |
| [i] Number of Equity Shares at the beginning of the year | 2,095,680,200 | 2,095,680,200 |
| [ii] Number of Shares allotted on amalgamation | 529,076,923 | - |
| [iii] Number of Shares to be allotted on amalgamation | - | 529,076,923 |
| [iv] Weighted average shares to be allotted during the year on amalgamation | - | 394,872,741 |
| [v] Number of potential Equity Shares | 107,535,026 | 107,535,026 |
| [vi] Weighted average No. of Shares for calculating: | | |
| [a] Basic Earnings Per Share | 2,624,757,123 | 2,095,680,200 |
| [b] Diluted Earnings Per Share | 2,732,292,149 | 2,598,087,967 |
| [c] Earnings Per Share | | |
| [i] Basic | ` 1.53 | ` 0.77 |
| [ii] Diluted | ` 1.47 | ` 0.62 |
| [d] Face Value Per Share | ` 10 | ` 10 |

Note - 39

Provisions for Taxation have been made as per individual accounts of the Companies.

Note - 40

- (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 31.03.2012 amounting to ` 1,02,89.42 Lacs (Previous Year ` 1,27,86.98 Lacs) in respect of 300 MW Baspa II HEP to the Financial Institutions and Banks.
- (b) JAL, the holding company has furnished Corporate Guarantees for financial assistance outstanding as on 31.03.2012 amounting to US\$ 161.81 Lacs (Previous Year US\$ 192.63 Lacs) in respect of 400 MW Vishnuprayag HEP.
- (c) JAL, the holding company has pledged 6,291 Lacs (Previous year 6,291 Lacs) equity shares of ` 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 5,279 Lacs (Previous Year 4,546 Lacs) equity shares of ` 10/- each of JPVL for Corporate Loan of for ` 1,00,000 Lacs.
- (e) (i) 8,40,00,000 equity shares of ` 10/- each fully paid (Previous year 7,50,00,000) 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) 35,35,26,798 equity shares of ` 10/- each fully paid (previous year 25,96,86,798) 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 ` 9,549.14 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 ` 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 ` 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.

Note - 41

300 MW BASPA-II HEP: The Company has claimed tax on income (Minimum Alternate Tax) as per actual during the tax holiday period available to the Company under section 80 -IA of the Income Tax Act, 1961. Appellate Tribunal of Electricity has also confirmed the claim of the Company. HPSEB has filed an appeal with Hon'ble Supreme Court of India against the same. Accordingly the receivables to the extent of ` 8,607 Lacs (Previous year ` 7,698 Lacs) from HPSEB are subject to final decision on the application/appeal and other legal remedies.

Note - 42

- (a) A Power Purchase Agreement (PPA) for sale of 704 MW power, out of 1000 MW power from the Karcham Wangtoo HEP to Power Trading Corporation (India) Limited (PTC) was executed by erstwhile JKHCL (since merged with the Company) 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 to be 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. PTC had approached the Hon'ble High Court of Delhi with a prayer 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 of Delhi, which is pending.

During the proceedings before Hon'ble High Court of Delhi, PTC invoked the arbitration clause of the PPA against Company's stand that the PPA was void and an Arbitral Tribunal consisting of three members was constituted. The Arbitral Tribunal, by its majority Award dated 28th April, 2011, dismissed the claim of PTC and declared the PPA to be void. PTC challenged the said Award before the Hon'ble High Court of Delhi. The Learned Single Judge of the Hon'ble High Court of Delhi vide its judgment and order dated 15th May, 2012 set aside the majority Award and concluded that the PPA is not void. Company shall file an

Appeal against the said judgment before the Division Bench of the Hon'ble High Court of Delhi.

- (b) The Haryana Power Generation Corporation Limited (HPGCL) with whom the PTC had entered into a Power Sale Agreement (PSA) for sale of 200 MW out of 704 MW power covered by the PPA has approached Haryana Electricity Regulatory Commission (HERC) to direct the company to supply 200 MW power to PTC for onward supply to HPGCL. The Company has taken a position that HPGCL has no privity of contract with the Company and HERC has no jurisdiction in the matter. HERC has however held that it has jurisdiction in the matter and therefore the Company has filed an Appeal before the Appellate Tribunal for Electricity (APTEL) against the order of HERC. APTEL after hearing the parties has reserved its judgment in the matter.

Note - 43

The Company is developing 1320 MW Power Project at Tehsil Karchana, Distt. Allahabad, Uttar Pradesh which is awarded by UPPCL on Build, Own, Operate and Maintain (BOOM) basis. As per the agreement, UPPCL has to provide 583 Ha. of land to the Company. UPPCL has since executed deed of conveyance for 512 Ha. (Approx.) of land. A few land owners had filed Writ Petition before Hon'ble High Court of Allahabad against the Government of Uttar Pradesh/UPPCL.

The Court vide its order dated April 13, 2012 allowed the petitions of the farmers of Karchana and stalled the work given to the Company. The order is to be effective subject to deposit of compensation, if any, received by the farmers. However, the Company has not received any communication from UPPCL in this regard.

Hence, expenditure incurred during the construction and incidental to setting up the project are carried forward as 'Capital Work in Progress'. Considering the current status, the Company does not envisage provision for impairment/ write off as at the Balance Sheet date.

Note - 44

- (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.

Note - 45

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 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:

(` in Lacs)

| Particulars | Jaypee Power | Prayagraj Power | Sangam Power | Jaypee Arunachal | Jaypee Meghalaya |
|---|--------------|---------------------|---------------------|------------------|------------------|
| | Grid Ltd. | Generation Co. Ltd. | Generation Co. Ltd. | Power Ltd. | Power Ltd. |
| Capital (including Share Application Money) | 29,200 | 87,819 | 55,198 | 22,400 | 670 |
| Reserves | (376) | (6) | (7) | (225) | (2) |
| Total Assets | 98,469 | 323,479 | 55,232 | 22,634 | 767 |
| Total Liabilities (including Loans) | 69,645 | 235,666 | 41 | 459 | 99 |
| Investment details (including Share Application Money) | - | - | - | - | - |
| Turnover (including Other Income) | - | - | - | - | - |
| Profit before taxation | (111) | - | - | - | - |
| Provision for taxation | (81) | - | - | - | - |
| Profit/ (Loss) after taxation | (192) | - | - | - | - |
| Proposed Dividend [including Dividend Distribution Tax] | - | - | - | - | - |

Note - 46

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.

Note - 47

Previous Year's figures have been regrouped/re-arranged as per new Schedule VI to Companies Act, 1956 wherever considered necessary to make them conform to the figures for the year.

Note - 48

All the figures have been rounded off to the nearest rupees in lacs.

For and on behalf of the Board

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

Manoj Gaur
 Chairman

| | | | |
|------------------|--------------------|-------------------|---------------------------|
| R. NAGPAL | R.K. Narang | Suren Jain | Sunil Kumar Sharma |
| Partner | Director | Managing Director | Vice Chairman |
| M.No. 81594 | | & CFO | & CEO |

| | | | |
|-----------------------|--------------------|---------------------|-----------------------|
| | Y.K. Sharma | R.K. Porwal | M.M. Sibbal |
| Place: Noida | Vice President | Sr. General Manager | Sr. General Manager & |
| Dated: 17th May, 2012 | (F & A) | (F & A) | Company Secretary |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(` in Lacs)

| Particulars | Figures as at the end of current reporting period, March 31, 2012 | | Figures as at the end of previous reporting period, March 31, 2011 | |
|--|---|-----------|--|-----------|
| A. Cash flow from operating activities | | | | |
| Profit before taxation | | 46,186 | | 20,360 |
| Add Back | | | | |
| Depreciation | 23,118 | | 9,493 | |
| Deffered Revenue on account of advance against depreciation | 7,905 | | 7,905 | |
| Amount written off - Miscellaneous Expenditure | - | | 285 | |
| (Gain)/Loss on sale of Assets | 3 | | - | |
| Interest & financial charges | 85,945 | 116,971 | 44,844 | 62,527 |
| Deduct: | | | | |
| Interest Income (Interest on bank deposits) | (6,686) | | (8,724) | |
| Interest Income (Interest on Arrears) | (327) | | (1,363) | |
| Dividend Income (On Mutual Funds) | - | | (45) | |
| Other Income | (60) | (7,073) | (253) | (10,385) |
| Operating profit before working capital changes | | | | |
| Add: | | | | |
| (Increase)/Decrease in Trade Debtor | (27,470) | | 4,827 | |
| Add: Transfer from amalgamating Company | - | | - | |
| (Increase)/Decrease in Inventories | 589 | | 353 | |
| Add: Transfer from amalgamating Company | - | | 20 | |
| (Increase)/Decrease in Long Term/Short Term Loans and Advances and others Current Asses | (46,725) | | (12,240) | |
| Add: Transfer from amalgamating Company | - | (73,606) | 20,418 | 13,378 |
| Deduct: | | | | |
| Increase (Decrease) in Current Liabilities & Other Long Term Liabilities excluding Current Maturities of Long Term Debts | 77,126 | | 25,447 | |
| Less: Transfer from amalgamating Company | - | | 47,802 | |
| Increase (Decrease) in Provisions | 241 | | 58 | |
| Less: Transfer from amalgamating Company | - | 77,367 | 65 | (22,362) |
| Cash generated from Operations | | 159,845 | | 63,518 |
| Adjustments for : | | | | |
| Income tax paid (net of refund) | | (9,066) | | (4,418) |
| Net cash inflow from operating activities — 'A' | | 150,779 | | 59,100 |
| B. Cash flow from Investing activities | | | | |
| Outflow | | | | |
| Investment in Fixed Assets/Capital Work in Progress | (612,113) | | (876,278) | |
| Less: Transfer from amalgamating Company | - | (612,113) | 441,275 | (435,003) |
| Work in Progress | | | | |
| Investment in Subsidiary | - | | (158,594) | |
| Less: Transfer from amalgamating Company | - | - | 158,594 | - |
| Inflow | | | | |
| Sale of Assets | 1 | | 2 | |
| Interest Income | 7,128 | | 12,139 | |
| Other Income | 60 | 7,189 | 253 | 12,394 |
| Net cash used in investing activities — 'B' | | (604,924) | | (422,609) |
| C. Cash flow from Financing activities | | | | |
| Inflow | | | | |
| Increase in Share Capital-Minority Interest | 1,092 | | | 650 |
| Increase in Long Term Borrowings & Current Maturities of Long Term debt-Net | 407,171 | | 653,440 | |
| Less: Transfer from Transferee Company | - | 408,263 | (287,627) | 365,813 |
| Outflow | | | | |
| Payment of Preliminary expenses | | - | | (101) |
| Interest & financial charges paid | | (85,008) | | (44,844) |
| Net cash in financing activities — 'C' | | 323,255 | | 321,518 |
| D. CASH AND CASH EQUIVALENT ON AMALGAMATIONS — 'D' | | - | | 6,089 |
| Net increase/(Decrease) in cash or cash equivalent (A + B + C + D) | | (130,890) | | (35,902) |
| Cash & cash equivalent at the commencement of the year (Opening balance) | | 222,815 | | 258,717 |
| Cash & cash equivalent at the end of the year (closing balance) | | 91,925 | | 222,815 |

1. Cash and Cash Equivalents:

Cash-in-hand and Balances with Scheduled Banks in Rupees [including ` 191 Lakhs lying in Unpaid Dividend Account (Previous Year ` 193 Lakhs) which are not available for use by the Company].

2. Previous year figures have been regrouped/rearranged as per revised schedule VI, wherever necessary.

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: 17th May, 2012

R.K. Narang

Director

Y. K. Sharma

Vice President (F&A)

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



JAIPRAKASH
POWER VENTURES LIMITED

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 17th Annual General Meeting of the Company held at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P) on Saturday, the 29th September, 2012 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 -----



JAIPRAKASH
POWER VENTURES LIMITED

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 17th 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 Saturday, the 29th September, 2012, 2012 at 11.00 A.M.

Signed at this..... day of..... 2012.

| | |
|--------------------|------------|
| 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.

BOOK POST

If undelivered please return to:

JAIPRAKASH
POWER VENTURES LIMITED

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