

DIRECTORS' REPORT

To,

The Members,

The Directors of your Company have pleasure in presenting the **Seventh Annual Report** together with the Audited Accounts of the Company for the year ended 31st March, 2013.

COMMISSIONING OF THE PROJECT

The Directors of your Company deem it their proud privilege that with effective co - operation of State Governments, Contractors, Suppliers, Vendors and Banks, 217 Kms, 400 kV D/C (quad conductor) Karcham Wangtoo-Abdullapur Transmission system was successfully synchronized with the Northern Regional Grid of POWERGRID on 6th March, 2012 and the Company declared its project as commercially commissioned w.e.f. 1st April, 2012 in terms of the Tariff Regulations.

Approval of Central Electricity Regulatory Commission for provisional transmission tariff was received on 14th June, 2012. The Directors are pleased to report that the Company has started receiving tariff in terms of CERC regulations from Power Grid Corporation of India Limited.

The Directors wish to report that audited Capitalised value of the Transmission system as on 31st March, 2013 is ₹995.99 crores.

WORKING RESULTS

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

Particulars	(₹in crores)	
	Current Year 31.03.2013	Previous Year 31.03.2012
Revenue from operations	206.05	-
Add: Other Income	0.16	-
Total Income	206.21	-
Profit before Interest, Depreciation & Taxation	199.74	-
Less : Interest	88.48	-
Less : Depreciation	52.58	1.11
Profit/(Loss)before tax	58.68	(1.11)
Less:Provison for Taxation*	-	-
Less:Deferred Tax charge	30.14	0.80
Profit after Taxation	28.54	(1.91)

*Current year Tax (MAT) ₹11.74 crores has been adjusted against MAT credit entitlement as per new Schedule VI.

SHARE CAPITAL

During the year, the paid-up share capital of the Company increased from ₹ 292 crores to ₹ 300 crores by allotment of 80,00,000 Equity Shares of ₹ 10 each for cash at par to Joint Venture (JV) Partners i.e. Jaiprakash Power Ventures Limited and Power Grid Corporation of India Limited in terms of Shareholders' Agreement in the agreed shareholding pattern.

DIVIDEND

This being the first year of operations of the Company, the Board has decided not to propose any dividend for the Financial Year 2012-13.

DIRECTORATE

During the year under Report, some changes took place in the Directorate. Shri R.K.Narayan, expired on 28th October, 2012. The Directors place on record their heartfelt condolences and record valuable contribution of Shri R.K. Narayan during his tenure as Director of the Company.

Further, Shri Sachchidanand Singh resigned from the office of Director/Whole-time Director w.e.f 26th December, 2012 and Shri. S.C. Singh was nominated /appointed as Whole time Director w.e.f 27th December, 2012 in his place.

In accordance with the provisions of Section 255 & 256 of the Companies Act, 1956, Shri Sunil Kumar Sharma and Shri Suren Jain shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit Committee of the Board comprising of Shri G.P. Singh, Chairman, Shri Suren Jain, Member and Shri Oommen Chandy, Member meets the requirement of Section 292A of the Companies Act, 1956.

DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management and after due enquiry, confirm the following in respect of the Audited Accounts for the year ended 31st March, 2013:-

- i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed and that there were no material departures;
- ii) that the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2013;

- iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors had prepared the Annual Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2013, 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, 2013, does not contain any qualification or adverse remark.

AUDITORS

M/s. Awatar & Co., 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. F52/26/CAB-2010 dated 6th November, 2012 has mandated your Company, being an Electricity Industry, to appoint Cost Auditors since your Company's aggregate value of the net worth exceeds ₹ 5 crores and aggregate value of the turnover exceeds ₹ 20 crores. Accordingly, the Board of Directors of your Company, upon recommendation of the Audit Committee, had appointed M/s Sanjay Gupta & Associates, a firm of Cost Accountants, as Cost Auditors for the Financial Year 2013-14 for auditing the Cost Accounting Records of the Company.

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

ACKNOWLEDGEMENT

The Directors of your Company place on record their sincere appreciation and gratitude to various Departments and Undertakings of the Government of India, Government of Himachal Pradesh and Undertakings of the Central & State Governments, Central Electricity Regulatory Commission, Central Electricity Authority, Banks, Credit Rating Agencies and other authorities for their continued co-operation and support to the Company.

The Directors of the Company acknowledge the contribution of all contractors, vendors, suppliers, consultants and Banks for their utmost co-operation in achieving the commissioning.

The Directors also thank for the faith and confidence reposed by the Joint Venture Partners of the Company i.e. Power Grid Corporation of India Limited and Jaiprakash Power Ventures Limited and employees at all levels for their commitment.

On behalf of the Board

R. N. NAYAK
Chairman

Place : Gurgaon

Date : 25th April, 2013

ANNEXURE TO THE DIRECTOR'S 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/- p.a. or more:- NIL
- b) Employed for part of the year and in receipt of remuneration aggregating ₹ 5,00,000/- or more per month:-

Shri Rajiv Ranjan Bhardwaj, Managing Director, ₹ 676252/-, B.Sc. (Hons), LLB, IAAS (UPSC), 53, 29, 2nd March, 2007, Jaypee Ventures Private Limited, New Delhi.

Notes:

1. Gross remuneration includes Salary, House Rent Allowance and other perquisites like Medical Reimbursement, Leave Travel Assistance, Furnishing Allowance, and Company's Contribution towards Provident Fund, etc but excludes provisions for Gratuity & Leave Encashment.
2. The Managing/Whole-time Directors hold their respective offices for a period of Three years from the date of their respective appointments.
3. None of the above employees is related to any Director of the Company.

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

(A) CONSERVATION OF ENERGY

Every effort is being made towards conservation of energy from planning stage to execution stage and at Operations & Maintenance stage. Suitable energy conservation measures are being taken by the Company at every stage so as to develop an efficient and minimum -loss transmission network.

Information under Form A as prescribed under Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for certain industries is not applicable to the Company.

(B) TECHNOLOGY ABSORPTION

As regards the information with respect to Technology Absorption, the Project has utilized and absorbed the modern technology for the construction of transmission line consistent with the leading practices adopted by Central Transmission Utility i.e. Power Grid Corporation of India Limited, which has provided the consultancy for design and engineering.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings :- nil

Foreign Exchange outgo:-

T&P for Operations & Maintenance: ₹ 29,03,712/-

On behalf of the Board

R. N. NAYAK
Chairman

Place : Gurgaon

Date : 25th April, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

JAYPEE POWERGRID LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **JAYPEE POWERGRID LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation

and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

For **AWATAR & CO.**
Chartered Accountants
Firm Registration No. 000726N

Brijendra Agrawal
Partner
MEMBERSHIP.No. 087787

Place : Gurgaon
Date : 25.04.2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, 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 has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not entered into loan transactions to which provisions of Sections 297 and 299 of the Companies Act, 1956 are applicable. Therefore, the provisions of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted deposits from public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The maintenance of cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, is not applicable to the Company for the year under report.
- (ix) In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise

- Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.
- (x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company 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 / nidhi / mutual benefit fund / society. Therefore, provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the banks or financial institutions. Therefore, provisions of clause (xv) of paragraph 4 of the Order are not applicable to the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans raised during the year have been applied for the purposes for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (xviii) According to the information and explanations given to us, during the year covered by our audit report, the Company has made allotment of shares only to the promoters of the Company (viz. Jaiprakash Power Ventures Limited and Power Grid Corporation of India Limited, as mentioned in Note No. 2.1 for consideration which is not prejudicial to the interest of the Company and that there are no other party / 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 not issued any debentures during the year under audit report.
- (xx) The Company has not raised any monies by way of public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **AWATAR & CO.**
Chartered Accountants
Firm Registration No.000726N

Brijendra Agrawal
Partner
MEMBERSHIP.No. 087787

Place : Gurgaon
Date : 25.04.2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31.03.2013	AS AT 31.03.2012
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	3,000,000,000	2,920,000,000
(b) Reserves and Surplus	2.2	247,805,406	(37,550,224)
(2) Non-current Liabilities			
(a) Long-Term Borrowings	2.3	5,998,618,000	6,460,648,332
(b) Deferred Tax Liabilities Net	2.4	309,511,690	8,048,993
(c) Long Term Provisions	2.5	896,596	3,378,195
(3) Current Liabilities			
(a) Short-term Borrowings	2.6	29,947,516	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	2.7	809,613,538	491,994,266
(d) Short-term Provisions	2.8	117,738,885	430,138
TOTAL		10,514,131,631	9,846,949,700
II ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	2.9	9,420,060,604	250,328,383
(ii) Capital work-in-Progress	2.10	39,997,614	5,796,239,970
(iii) Incidental Expenditure During Construction, Pending Allocation	2.11	-	3,416,701,915
(b) Deferred Tax Assets (net)		-	-
(c) Long-term Loans and advances	2.12	631,769	601,457
(2) Current Assets			
(a) Trade Receivable	2.13	711,540,787	-
(b) Inventories	2.14	4,752,309	760,733
(c) Cash and cash equivalents	2.15	73,537,122	74,756,391
(d) Short-term loans and advances	2.16	123,562,727	290,310,224
(e) Other current assets	2.17	140,048,699	17,250,627
TOTAL		10,514,131,631	9,846,949,700
Accounting Policies and Notes to the Accounts	1 & 2		

 for AWATAR & CO.
 Chartered Accountants
 Registration No. 000726N

For and on behalf of the Board

 Brijendra Agrawal
 Partner
 Membership No. 087787

 Suren Jain
 Director

 Place : Gurgaon
 Date : 25 April, 2013

 Anita Rikhy
 Addl. General Manager &
 Company Secretary

 H. K. Sharma
 Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

S. No.	Particulars	Note No.	Current Period 31/03/2013 (Audited)	Previous Period 31/03/2012 (Audited)
I.	Revenue from operations	2.18	2,060,506,278	-
II.	Other income	2.19	1,657,118	-
III.	Total Revenue (I+II)		2,062,163,396	-
IV.	Expenses:			
	Employee benefits expenses	2.20	26,513,778	-
	Finance Cost	2.21	884,820,011	-
	Depreciation and amortization expense	2.9	525,808,569	11,116,072
	Transmission, Administration and other Expenses	2.22	38,202,711	-
	Total Expenses		1,475,345,069	11,116,072.00
V.	Profit before exceptional and extraordinary items and tax (III-IV)		586,818,327	(11,116,072)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		586,818,327	(11,116,072)
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		586,818,327	(11,116,072)
X.	Tax Expense:			
	(1) Current Tax (MAT)	117,409,144	-	-
	Less: MAT credit entitlement	117,409,144	-	-
	Net Current Tax	-	-	-
	(2) Deferred Tax	301,462,697	301,462,697	8,048,993
XI.	Profit/(loss) after tax from continuing operations (IX-X)		285,355,630	(19,165,065)
XII.	Profit/(loss) after tax from discontinuing operations		-	-
XIII.	Tax expenses of discontinuing operations		-	-
XIV.	Profit/(loss) from discontinuing operation (after tax) (XII-XIII)		-	-
XV.	Profit/(loss) for the period (XI+XIV)		285,355,630	(19,165,065)
XVI.	Earning per equity share:			
	(1) Basic		0.96	(0.07)
	(2) Diluted		0.96	(0.07)
	Number of shares used in computing earnings per share			
	(1) Basic		298,027,397	265,278,689
	(2) Diluted		298,027,397	265,278,689
Accounting Policies and Notes to the Accounts	1 & 2			

 for AWATAR & CO.
 Chartered Accountants
 Registration No. 000726N

For and on behalf of the Board

 Brijendra Agrawal
 Partner
 Membership No. 087787

 Suren Jain
 Director

 Place : Gurgaon
 Date : 25 April, 2013

 Anita Rikhy
 Addl. General Manager &
 Company Secretary

 H. K. Sharma
 Managing Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Company Overview

Jaypee Powergrid Limited is a joint venture between Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro Power Limited) and Power Grid Corporation of India Limited (POWERGRID). The joint venture is governed by the Shareholders' Agreement dated 22nd February, 2007, Deed of Adherence dated 24th December, 2007 and Supplementary Shareholders Agreement dated 25th March, 2010. The Company was incorporated for commissioning of 400kV Quad Bundle Conductor Double circuit transmission line from the pothead yard of Karcham Wangtoo HEP at Wangtoo to Abdullapur measuring 213 Km. and LILO of existing Baspa Jhakri double circuit line with powerhouse bus of Karcham Wangtoo HEP at Wangtoo measuring about 4 Kms.

1.0 Significant Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

1.2 Revenue Recognition

Revenue/Income and Cost/Expenditure are accounted for on accrual basis.

1.3 Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

1.4 Fixed Assets

- (i) Fixed Assets are stated at cost, less accumulated depreciation and impairment, if any. Cost include cost of acquisition/construction, freight, duties, taxes and other incidental expenses related thereto for bringing the assets to its working condition and ready for intended use.
- (ii) Transmission system assets are considered "Ready for intended use" for the purpose of capitalization, after test charging/successful commissioning of the system/assets and on completion of stabilization period.

1.5 Capital Work in Progress (CWIP)

Capital work-in-progress comprises of the cost of fixed assets that are not ready for their intended use at the reporting date.

1.6 Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates specified in norms by Central Electricity Regulatory Commission (CERC) for the purpose of recovery of tariff on pro-rata basis except for the following assets in respect of which depreciation has been charged at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956:

- (i) Motor vehicles
- (ii) Office equipments
- (iii) Furniture & Fixtures
- (iv) EDP Machinery & Equipment

1.7 Employee Benefits

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

- [i] Provident Fund and Pension contribution—as a percentage of salary/wages is a defined Contribution Scheme.
- [ii] Gratuity and Leave Encashment is a Defined Benefit obligation. The liability is provided for on the basis of independent actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit Method.

1.8 Inventories

Stock of Building/Construction material is valued at cost on First-in-First-out basis or net realizable value, whichever is lower.

1.9 Preliminary Expenses

Preliminary expenses are charged to Statement of Profit and Loss in the year in which they are incurred.

1.10 Incidental Expenditure during Construction Period

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

Interest during construction and other attributable "incidental expenditure pending allocation" are allocated to the asset/part of the asset being capitalized on pro-rata basis to their capital expenditure incurred.

1.11 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 the net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

1.12 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is the one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.13 Taxes on Income

Current tax is determined as per the provisions of the Income Tax Act, 1961 in respect of taxable income for the year and Wealth Tax Act, 1957. Deferred Tax Liability is computed as per Accounting Standard (AS-22). Deferred Tax Assets and Deferred Tax Liability are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

1.14 Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price or the value in use determined by the present value of estimated future cash flows.

1.15 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. Contingent Assets are neither recognized nor disclosed in the financial statements. The Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(Amount in ₹)

NOTE 2.1 SHARE CAPITAL	AS AT 31/03/2013	AS AT 31/03/2012
Authorised		
300,000,000 Equity Shares of ₹10 each (Previous Year 300,000,000 Equity Shares of ₹ 10/- each)	3,000,000,000	3,000,000,000
Issued, Subscribed and Paid up		
300,000,000 (Previous year 292,000,000) Equity Shares of ₹ 10/- each fully paid-up.	3,000,000,000	2,920,000,000
Total	3,000,000,000	2,920,000,000

Further Notes:-

- 222,000,000 equity shares (74%) of the company are held by Jaiprakash Power Ventures Limited, the holding company.
- The holders of the equity shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company.
- The reconciliation of the number and amount of equity share capital as at 31st March, 2013 and 31st March, 2012 is set out below:

S. No.	Particulars	As at March 31, 2013		As at March 31, 2012	
		No. of Shares	Amount	No. of Shares	Amount
1	No. of Shares at the beginning of the year	292,000,000	2,920,000,000	250,000,000	2,500,000,000
2	Add: Share allotted during the year	8,000,000	80,000,000	42,000,000	420,000,000
3	No. of Shares at the end of the year	300,000,000	3,000,000,000	292,000,000	2,920,000,000

4) Details of Shareholders holding more than 5% shares

S. No.	Name of Share Holder	As at March 31, 2013		As at March 31, 2012	
		No. of Shares	%	No. of Shares	%
1	Jaiprakash Power Ventures Limited	222,000,000	74*	216,080,000	74*
2	Power Grid Corporation of India Limited	78,000,000	26	75,920,000	26
	Total	300,000,000	100	292,000,000	100

* Out of above 600 equity shares are held by Jaiprakash Power Ventures Limited in beneficial interest.

(Amount in ₹)

NOTE 2.2 RESERVES AND SURPLUS	AS AT 31/03/2013	AS AT 31/03/2012
SURPLUS		
Opening Balance	(37,550,224)	(18,385,159)
Add: Net Profit after tax transferred from Statement of Profit and Loss	285,355,630	(19,165,065)
Closing Balance	247,805,406	(37,550,224)

(Amount in ₹)

NOTE 2.3 NON CURRENT LIABILITIES -	AS AT 31/03/2013	AS AT 31/03/2012
LONG TERM BORROWINGS - SECURED LOANS		
RUPEE TERM LOANS FROM BANKS	5,998,618,000	6,460,648,332
Total	5,998,618,000	6,460,648,332

The Financial assistance sanctioned and disbursed/to be disbursed by Banks of Rupee Term Loans of ₹ 700 crores together with payment of all interest at the agreed rates, additional interest in case of default, liquidated damages, reimbursement of all costs, charges and expenses and any other amount due and payable to the Lenders, Facility Agent, Security Trustee (IDBI Trusteeship Services Ltd.) etc. under the loan documents/Financing documents are secured/to be secured by hypothecation of the Company's movable assets (present and future), intangible assets including but not limited to the goodwill, undertaking and uncalled capital, revenues and receivables from Project or otherwise, assignment/charge/security interest of the Company's rights under each of the Project Documents, assignment and/or charge of all licenses, permits, approvals, construction and operating period insurance policies in respect of or in connection with the project, operating cash flows and also including without limitation, the rights, title and interest in the undertakings of the Company, stocks of raw materials, semi-finished and finished goods, consumable stores and all monies, securities, contractor guarantees, performance bonds and any letter of credit provided by any person in favour of the Lenders/Security Trustee etc. ranking pari-passu among all participating Banks. and further secured by way of pledge of 30% of issued and paid up share capital of the Company. As the paid up capital on 31/03/2013 was ₹ 300 crore divided into 30 crores equity shares of ₹ 10 each, 9 crores equity shares of ₹ 10 each fully paid up held by Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro-Power Limited) have been pledged in favour of Security Trustee.

Details of Term Loans are as follows:

S. No.	NAME OF THE BANK	AS AT 31/03/2013	AS AT 31/03/2012	TERMS OF REPAYMENT
1	State Bank of India	2,281,250,000	2,383,734,000	Repayment in 44 quarterly instalments after a moratorium of 12 months from COD. Repayment has commenced from March, 2013.
2	Punjab National Bank	1,652,168,000	1,811,983,665	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June, 2012.
3	Central Bank of India	1,239,120,000	1,358,938,835	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June, 2012.
4	The Jammu & Kashmir Bank Ltd	826,080,000	905,991,832	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June, 2012.
		5,998,618,000	6,460,648,332	

(Amount in ₹)

NOTE - 2.4 DEFERRED TAX	As at 31-03-2013	As at 31-03-2012
Deferred Tax Liabilities (A)		
Fixed Assets	309,511,690	8,048,993
Deferred Tax Assets (B)	-	-
Deferred Tax Liabilities (Net) A-B	309,511,690	8,048,993

(Amount in ₹)

NOTE - 2.5 LONG-TERM PROVISIONS	As at 31-03-2013	As at 31-03-2012
Provision for long term obligation of Gratuity	540,749	1,865,544
Provision for long term obligation of leave encashment	355,847	1,512,651
	896,596	3,378,195

(Amount in ₹)

NOTE - 2.6 SHORT -TERM BORROWINGS	As at 31-03-2013	As at 31-03-2012
Secured Loans from Bank		
Working Capital	29,947,516	-
	29,947,516	-

Short term loans from ICICI Bank ₹ 29,947,516/- are secured against movable assets of the company both present and future and a charge has been created ranking pari passu with the existing charges of Term Loan.

(Amount in ₹)

NOTE - 2.7 OTHER CURRENT LIABILITIES	As at 31.03.2013	As at 31.03.2012
Current Maturities of Long-Term Debt	566,316,000	339,461,668
Retention Money (Contractors)	118,790,937	99,010,195
Interest Accrued but not due on borrowings	-	7,244,902
Dues to Staff	638,168	858,726
Statutory Dues	4,605,882	9,244,348
Sundry Creditors - Goods	6,081,632	4,733,778
Sundry Creditors - Contractors	101,281,592	20,020,760
Other Payables	1,972,994	1,593,565
Outstanding Liabilities LILO/Main Line	9,926,333	9,826,324
	809,613,538	491,994,266

(Amount in ₹)

NOTE - 2.8 SHORT-TERM PROVISION	As at 31.03.2013	As at 31.03.2012
Provision for Expenses	-	101,000
Provision for short term current obligation of Gratuity	54,367	69,490
Provision for short term current obligation of leave encashment	268,023	259,648
Provision for Taxation	117,416,495	-
	117,738,885	430,138

**NOTE - 2.9
TANGIBLE ASSETS**

(Amount in ₹)

Sl. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2012	Addition During the year	Sale/Transfer during the year	As at 31/03/2013	Opening Balance	For the year	Depreciation Adjustment on Sale/ Transfer	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
Tangible assets:											
1	Land	6,327,352	-	-	6,327,352	-	-	-	-	6,327,352	6,327,352
2	Motor Vehicles	5,079,120	2,214,632	-	7,293,752	1,891,221	615,091	-	2,506,312	4,787,440	3,187,899
3	Tools and Plant Equipment	2,666,110	1,956,294	-	4,622,404	71,477	202,750	-	274,227	4,348,177	2,594,633
4	Office Equipment	942,474	294,344	-	1,236,818	102,691	50,630	-	153,321	1,083,497	839,783
5	Furniture & Fixtures	520,346	242,440	-	762,786	323,393	20,605	-	343,998	418,788	196,952
6	EDP Machinery & Equipment	1,003,063	5,880	-	1,008,943	469,176	161,879	-	631,055	377,888	533,887
7	Transmission Line LILO	247,763,949	-	-	247,763,949	11,116,072	13,081,937	-	24,198,009	223,565,940	236,647,877
8	Transmission Line	-	9,331,440,600	-	9,331,440,600	-	492,700,064	-	492,700,064	8,838,740,536	-
9	E-bays (Sub-Station)	-	146,407,345	-	146,407,345	-	7,730,308	-	7,730,308	138,677,037	-
10	Reactors	-	212,979,255	-	212,979,255	-	11,245,305	-	11,245,305	201,733,950	-
	Total	264,302,413	9,695,540,790	-	9,959,843,203	13,974,030	525,808,569	-	539,782,599	9,420,060,604	250,328,383
	Previous Year	12,780,587	250,855,641	-	263,636,228	2,147,891	-	-	2,147,891	261,488,336	10,632,696

Futher Notes:- (Ref. S. No. 8,9, and 10)

- Additions includes Transmission Line, Sub-Station and Reactor comissioned on 01/04/2012.
- Additions include borrowing cost of ₹ 158,10,20,834.00 and incidental expenditure during construction of ₹ 187,18,60,780.00
- IEDC of ₹ 1,871,860,780/- has been allocated to Transmission Line exclusively as Sub-Station and Reactors have been constructed on Cost plus basis by PGCIL and JPVL respectively.
- IDC of ₹ 1,581,020,834/- has been apportioned amongst Transmission Line/Sub-station/Reactors in the ratio of direct cost.

NOTE 2.10
CAPITAL WORK-IN-PROGRESS

(Amount in ₹)					
Sl. No.	Opening Balance as at 01/04/2012	Addition during the year	Capitalisation during the Year	Balance as at 31/03/2013	Balance as at 31/03/2012
1	TRANSMISSION LINE				
	5,777,042,304	174,185,839	5,951,228,143	-	5,777,042,304
2	BUILDINGS				
	19,197,666	20,799,948	-	39,997,614	19,197,666
	5,796,239,970	194,985,787	5,951,228,143	39,997,614	5,796,239,970

NOTE 2.11
INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(Amount in ₹)		
PARTICULARS	As at 31.03.2013	As at 31.03.2012
Opening Balance	3,416,701,915	
Add: Addition during the year		
Advertisement & Publicity	-	3,651,596
Auditor's Remuneration	-	
- For Audit	-	1,411,590
- For Tax Audit	-	144,905
- For Certification	-	33,090
Bank Charges	-	866,959
Books and Periodicals	-	167,088
Communication Expenses	-	1,914,579
Consultancy Expenses	-	254,753,056
Crop and Tree Compensation	10,661,141	350,836,289
Depreciation	-	2,882,999
Directors' Sitting Fee	-	2,460,000
Employees Remuneration & Benefits	-	109,336,260
Finance Charges	-	86,793,648
Forest Compensation	10,231,077	955,297,779
Interest on Term Loan	6,359,172	1,602,107,674
Internal Auditor Fee	-	442,230
Legal and Professional Expenses	8,928,308	89,201,655
License Fee	-	2,000,000
Miscellaneous Expenses	-	17,683,073
Printing & Stationery Expenses	-	1,065,015
Gratuity Premium Paid	-	1,338,557
Provision for Gratuity/Leave Encashment	-	3,707,333
Tax Paid	-	14,176,427
Rent, Rates & Taxes	-	3,955,563
Travelling & Conveyance Expenses	-	27,474,170
Vehicle Running & Maintenance Expenses	-	11,189,863
	3,452,881,613	3,544,891,398

(Amount in ₹)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
Less:- Interest on Short Term Deposit with Banks	-	70,437,009
Less: - Bidding Fee (Net of Expenses)	-	1,413,479
Less: - LILO Line Capitalisation	-	56,338,994
	3,452,881,613	3,416,701,915
Less: - Capitalisation during the year	3,452,881,613	-
Balance Incidental expenditure during construction	-	3,416,701,915

(Amount in ₹)

NOTE 2.12 LONG-TERM LOANS AND ADVANCES	As at 31.03.2013	As at 31.03.2012
Security Deposit with Govt. Depts. Public bodies	403,672	360,360
Security Deposit with others	228,097	241,097
	631,769	601,457

(Amount in ₹)

NOTE 2.13 TRADE RECEIVABLE	As at 31.03.2013	As at 31.03.2012
Provisional Tariff Receivable	711,540,787	-
	711,540,787	-

(Amount in ₹)

NOTE 2.14 INVENTORIES	As at 31.03.2013	As at 31.03.2012
Inventories - Construction Material	4,752,309	760,733
	4,752,309	760,733

(Amount in ₹)

NOTE 2.15 CASH AND CASH EQUIVALENTS	As at 31.03.2013	As at 31.03.2012
Cash in Hand	62,297	40,383
Cheque in Hand	129,333	69,237
Balances with Scheduled Banks in Current Accounts		
- Oriental Bank of Commerce	80,102	80,102
- Axis Bank	6,484,627	3,397,444
- Axis Bank (TDS A/c)	178,205	6,104,020
- ICICI Bank Ltd.	183,756	183,756
- State Bank of India	3,743,487	8,714,673
Trust & Retention Account		
- ICICI Bank Ltd.*	8,358	56,166,776
- State Bank of India*	62,666,956	-
	73,537,122	74,756,391

*TRA account is maintained pursuant to the stipulations of the "Financing Agreements" executed with the Lenders.

(Amount in ₹)

NOTE 2.16 SHORT-TERM LOANS AND ADVANCES	As at 31.03.2013	As at 31.03.2012
Imprest Staff	26,190	-
Capital Advance	5,963,564	290,071,024
Advance to Supplier	163,829	239,200
MAT credit entitlement	117,409,144	-
	123,562,727	290,310,224

(Amount in ₹)		
NOTE 2.17 OTHER CURRENT ASSETS	As at 31.03.2013	As at 31.03.2012
Prepaid Insurance	464,652	-
Interest Accrued on FDR	74,322	46,792
Advance Tax and TDS/TCS	139,387,557	17,176,876
Other Receivable	122,168	26,959
	140,048,699	17,250,627

(Amount in ₹)		
NOTE 2.18 REVENUE FROM OPERATIONS	As at 31.03.2013	As at 31.03.2012
Tariff Income	2,060,506,278	-
	2,060,506,278	-

Further Notes:

- The Company has recognized transmission income in accordance with provisional tariff orders from CERC issued on 14/06/2012, including for LILO Portion of Transmission Line which was due in 2011-12.
- The Transmission system incentive/disincentive has been accounted for on the basis of certificate of availability by NRPC and in accordance with norms notified and approved by CERC.
- Pending certification of monthly transmission system availability by National Regional Power Committee, transmission tariff (including incentive) of ₹ 499,862,937/- for the last quarter has been recognized provisionally based on site verification and will be adjusted, if necessary, in the current year.

(Amount in ₹)		
NOTE 2.19 OTHER INCOME	As at 31.03.2013	As at 31.03.2012
Interest	230,306	-
Rebate	1,000	-
Foreign Currency Rate Difference	85,894	-
Provision for Gratuity written back	1,339,918	-
	1,657,118	-

(Amount in ₹)		
NOTE 2.20 EMPLOYEE BENEFITS EXPENSES	As at 31.03.2013	As at 31.03.2012
Salary wages allowances & Benefits	25,323,698	-
Contribution to provident and other funds	1,120,741	-
Staff welfare expenses	69,339	-
	26,513,778	-

Further Notes:

Employee remuneration and benefits includes the following for Managing Director/Whole time Director.

Salaries	2,790,000	6,525,484
Contribution to provident and other funds	334,800	783,058
Other benefits	2,016,327	4,871,118
	5,141,127	12,179,660

(Amount in ₹)		
NOTE 2.21 FINANCE COST	As at 31.03.2013	As at 31.03.2012
Financing Charges	2,496,650	-
Interest	-	-
Term Loan	852,896,672	-
Working Capital	29,426,689	-
	884,820,011	-

(Amount in ₹)		
Note 2.22 TRANSMISSION, ADMINISTRATIVE AND OTHER EXPENSES	As at 31.03.2013	As at 31.03.2012
Advertisement & Publicity	55,213	-
Auditor's Remuneration	-	-
- For Statutory Audit	449,440	-
- For Tax Audit	-	-
- For Certifications/Others	80,757	-
- For Internal Audit Fee	213,484	-
Bank Charges	559,837	-
Books and Periodicals	8,418	-
Communication Expenses	299,632	-
Consultancy Expenses	2,103,718	-
Directors' Sitting Fee	260,000	-
Insurance	7,690,327	-
Legal and Professional Expenses	2,378,305	-
License Fee	503,000	-
Miscellaneous Expenses	4,312,863	-
Printing & Stationery Expenses	101,872	-
Rent, Rates & Taxes	547,432	-
Travelling & Conveyance Expenses	3,102,447	-
Sub-Station Maintenance Cost (PGCIL)	1,540,729	-
Reactors Maintenance Cost (JPVL)	2,548,712	-
Service Tax Paid	144,251	-
Rebate on Transmission Tariff Received	7,913,202	-
System Operation Charges	593,621	-
Vehicle Running & Maintenance Expenses	2,795,452	-
	38,202,711	-

(Amount in ₹)		
NOTE 2.23 BORROWING COST	AS AT 31/03/2013	AS AT 31/03/2012
LILO Portion (capitalised during 2011-12)	-	27,446,011
Main Line Portion (capitalised on 01/04/2012)	1,581,020,834	-
	1,581,020,834	27,446,011

NOTE 2.24

400Kv Quad Bundle Conductor Double Circuit transmission line from the pothead-yard of Karcham Wangtoo HEP at Wangtoo to Abdullapur measuring 213 Km has been completed. While the Line was commissioned on 6th March, 2012 it was put under commercial operations with effect from 1st April, 2012 in accordance with CERC guidelines. Accordingly, it has been capitalised on 01/04/2012 and depreciation of ₹ 524,757,614/- has been charged to the Statement of Profit and Loss.

As construction of Sanura Camp is still under progress, an amount of ₹ 39,997,614/- is being reflected as Capital work in progress.

As final settlement of bills with contractors and closing of contracts is in progress, capitalisation has been done subject to necessary adjustment in the year of final settlement, if necessary.

NOTE 2.25
EMPLOYEES BENEFIT

- a) All employees are entitled to Provident Fund benefits. Amount charged to Statement of Profit and Loss for the year is ₹ 11,20,741/-.
- b) In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based

on the respective employees' last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the insurer (SBI Life Insurance Co. Limited). Under this plan, the settlement obligation remains with the Company, although the Employee Gratuity Trust administers the plan and determines the contribution premium required to be paid by the Company. Excess provision of ₹ 13,39,918/- has been written back to the Profit and Loss Account.

- c) Leave Encashment - Defined Benefit Plan

The Company has a scheme of encashment of accumulated leaves. The scheme is unfunded and is recognized on the basis of actuarial valuation on annual basis.

The summarized position of defined benefits recognised in the Profit and Loss Account and Balance Sheet are as under

Sl. No.	Particulars	2012-13		2011-12	
		Gratuity (Funded)	Leave Encashment	Gratuity (Funded)	Leave Encashment
I	Expenses recognized in the Statement of Indidental Expenditure During Construction for the Period ended March 31,2013.				
1	Current Service Cost.	142,890	171,822	466,356	486,452
2	Interest Cost	164,478	150,645	113,187	105,705
3	Expected return on plan assets	(87,103)	-	(79,692)	-
4	Actuarial (Gains)/Losses	(287,063)	(155,210)	23,880	(41,789)
5	Past Service Cost	-	-	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	(66,798)	167,257	523,731	550,368
II	Net Asset/ (Liability) recognized in the Balance Sheet as at March 31,2013.				
1	Present Value of defined Benefit Obligation.	595,116	623,870	1,935,034	1,772,299
2	Fair Value of Plan Assets	263,476	-	936,596	-
3	Funded Status (Surplus/Deficit)	(331,640)	(623,870)	(998,438)	(1,772,299)
4	Net Asset (Liability) as at March 31, 2013	(331,640)	(623,870)	(998,438)	(1,772,299)
III	Change in Obligation during the Period ended March 31,2013.				
1	Present Value of defined Benefit Obligation at the beginning of the year.	1,935,034	1,772,299	1,331,611	1,243,584
2	Current Service Cost.	142,890	171,822	466,356	486,452
3	Interest Cost.	164,478	150,645	113,187	105,705
4	Settlement Cost.	-	-	-	-
5	Past Service Cost.	-	-	-	-
6	Employee Contributions.	-	-	-	-
7	Actuarial (Gains) / Losses	(287,063)	(155,210)	23,880	(41,789)
8	Benefit Payments	(1,288,141)	(1,315,686)	-	(21,653)
9	Present Value of Defined Benefit Obligation at the end of the year.	595,116	623,870	1,935,034	1,772,299
IV	Change in Assets during the Period ended March 31,2013.				
1	Plan Assets at the beginning of the year.	936,596	-	856,904	-
2	Assets acquired on amalgamation in previous year.	-	-	-	-
3	Settlements.	-	-	-	-
4	Expected return on Plan Assets.	15,021	-	79,692	-
5	Contribution by Employer.	600,000	-	-	-
6	Actual Benefit Paid.	(1,288,141)	-	-	-
7	Actuarial Gains / (Losses)	-	-	-	-
8	Plan Assets at the end of the year.	263,476	-	936,596	-
9	Actual Return on Plan Assets.	-	-	-	-

Note: The information on composition of the plan assets held by the funds managed by the insurer is not provided since the same is not available.

(Amount in ₹)

NOTE 2.26 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		As at 31.03.2013	As at 31.03.2012
a)	Estimated amount of Contract remaining to be executed on Capital Account (net of advances)	30,329,281	35,573,590
b)	Claims against the Company not acknowledged as debt	365,203,587	365,203,587
c)	Interest Disputed with IOB	-	6,127,001

NOTE 2.27

Additional information as per Accounting Standard 18 (AS 18) "Related Party Disclosures", issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party, as defined in the said Standard, are given below:-

List of Related Parties and relationships:
a) Holding Companies:

- [i] Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro-Power Limited)
- [ii] Jaiprakash Associates Limited, being holding company of Jaiprakash Power Ventures Limited

b) Fellow Subsidiary Companies:

- [i] Jaypee Infratech Ltd.
- [ii] Himalyan Expressway Ltd.
- [iii] Jaypee Ganga Infrastructure Corporation Ltd.
- [iv] Bhilai Jaypee Cement Ltd.
- [v] Gujarat Jaypee Cement & Infrastructure Ltd.
- [vi] Bokaro Jaypee Cement Ltd.
- [vii] Jaypee Arunachal Power Ltd. (JV subsidiary of Jaiprakash Power Ventures Ltd.)
- [viii] Sangam Power Generation Company Limited.
- [ix] Prayagraj Power Generation Company Limited.
- [x] Jaypee Agra Vikas Limited.
- [xi] Jaypee Sports International Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [xii] Jaypee Fertilizers & Industries Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [xiii] Jaypee Cement Corporation Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [xiv] Jaypee Meghalaya Power Ltd. (subsidiary of Jaiprakash Power Ventures Ltd.)
- [xv] Jaypee Assam Cement Limited
- [xvi] Himalyaputra Aviation Limited
- [xvii] Jaypee Cement Cricket (India) Ltd. (Subsidiary of Jaypee Sports International Ltd. w.e.f. 20.10.2012)
- [xviii] Jaypee Healthcare Ltd. (Subsidiary of Jaypee Infratech Ltd. w.e.f. 30.10.2012)
- [xix] Jaypee Cement Hockey (India) Ltd. (Subsidiary of Jaypee Sports International Ltd. w.e.f. 05.11.2012)

c) Associate Companies:

- [i] Jaypee Infra Ventures (A private company with unlimited liability)(JIV)
- [ii] Jaiprakash Kashmir Energy Ltd.
- [iii] JIL Information Technology Ltd. (subsidiary of Jaypee Ventures Pvt. Ltd.)

- [iv] Gaur & Nagi Ltd. (subsidiary of JIL Information Technology Ltd.)
- [v] RPJ Minerals Pvt. Ltd.
- [vi] Sonebhadra Minerals Pvt. Ltd.
- [vii] Jaypee Development Corporation Ltd. (subsidiary of Jaypee Ventures Pvt. Ltd.)
- [viii] Tiger Hills Holiday Resort Pvt. Ltd. (subsidiary of Jaypee Development Corporation Ltd.)
- [ix] Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Pvt. Ltd.)
- [x] Rock Solid Cement Ltd. (subsidiary of RPJ Minerals Pvt. Ltd.)
- [xi] MP Jaypee Coal Limited.
- [xii] MP Jaypee Coal Fields Limited.
- [xiii] Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Pvt. Ltd.)
- [xiv] Jaypee Uttar Bharat Vikas Private Limited
- [xv] Kanpur Fertilizers & Cement Ltd. (subsidiary of Jaypee Uttar Bharat Vikas Private Limited)
- [xvi] Madhya Pradesh Jaypee Minerals Ltd. (subsidiary of Madhya Pradesh State Mining Co. Ltd.)
- [xvii] Jaiprakash Agri Initiatives Company Ltd. (subsidiary of Jaypee Ventures Pvt. Ltd.)
- [xviii] Jaypee International Logistics Company Pvt. Ltd. (subsidiary of Jaypee Ventures Pvt. Ltd.)
- [xix] Andhra Cements Limited (subsidiary of JIV)
- [xx] Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV)

d) Key Management Personnel

- [i] Shri Rajiv Ranjan Bhardwaj, Managing Director (till 30.04.2012)
- [ii] Shri Hemant Kumar Sharma, Managing Director (w.e.f. 08.05.2012)
- [iii] Shri Sachchidanand Singh, Whole - time Director (till 26.12.2012)
- [iv] Shri Subhash Chandra Singh, Whole - time Director (w.e.f. 27.12.2012)

II. Transactions during the period with Related Parties.

Transactions related to parties referred in I(a) to I(c) above:

(Amount in ₹)

S. No.	Nature of Transaction	Related Party	2012-13	2011-12
1	Issue of Equity Share Capital	Jaiprakash Power Ventures Ltd. (earlier known as Jaiprakash Hydro-Power Ltd.)	59,200,000	310,800,000
2	Consultancy	Power Grid Corporation of India Ltd.	20,800,000	109,200,000
3	Supply and Erection of Reactors	Power Grid Corporation of India Ltd.	-	22,060,000
4	Rent agreement	Jaiprakash Associates Limited	-	150,000,000
5	Key Management Personnel	Jaiprakash Associates Limited	110,300	1,383,600
		Referred in (d) above	5,141,127	12,179,660

NOTE 2.28

Provision of ₹ 117,409,144/- (previous year -Nil) towards Minimum Alternate Tax (MAT) as Tax payable u/s 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 under "Short-term Loans and Advances" (Note 2.16) as per revised Schedule VI.

Provision for Deferred Tax Liability of ₹ 301,462,697/- (previous year ₹ 80,48,993) has been made during the year. Wealth Tax Liability of ₹ 7,351/- (previous year -Nil) has been provided in the Statement of Profit and Loss.

NOTE 2.29

There are no suppliers/service providers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Development Act, 2006" as on 31st March, 2013 and as on 31st March, 2012.

NOTE 2.30

Previous year figures have been re-grouped/re-arranged wherever considered necessary to follow the requirement of Revised Schedule VI to The Companies Act, 1956.

	(Amount in ₹)	
NOTE 2.31	As at 31.03.2013	As at 31.03.2012
Number of shares calculated in computing earning per share as per provisions of AS-20		
Number of equity share of ₹ 10/- each (opening)	292,000,000	250,000,000
Number of Share allotted during the year	8,000,000	42,000,000
Number of equity share of ₹ 10/- each (closing)	300,000,000	292,000,000
Weighted Average number of equity shares for calculating Basic EPS	298,027,397	265,278,689
Weighted Average number of equity shares for calculating Diluted EPS	298,027,397	265,278,689

NOTE 2.32

All figures have been rounded off to the nearest rupee.

for AWATAR & CO.
Chartered Accountants
Registration No. 000726N

For and on behalf of the Board

Brijendra Agrawal
Partner
Membership No. 087787

Suren Jain
Director

Place : Gurgaon
Date : 25 April, 2013

Anita Rikhy
Addl. General Manager &
Company Secretary

H. K. Sharma
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	(Amount in ₹)	
	2012-2013	2011-2012
A. Cash flow from operating activities		
Net Loss form Profit and Loss Statement	586,818,327	(11,116,072)
Add: 1) Preliminary Expenses Written off	-	-
2) Depreciation	525,808,569	11,116,072
3) Finance Cost	884,820,011	1,602,107,674
4) Interest Paid	-	-
5) Provisions	(2,481,599)	-
Operating Profit before working capital changes	1,994,965,308	1,602,107,674
(Increase)/Decrease in Current Assets		
Inventories	(3,991,576)	-
Trade Receivables	(711,540,787)	-
Short Term Loans and Advances	166,747,497	-
Other Current Assets	(122,798,072)	-
Increase/(Decrease) in Current Liabilities		
Short Term Borrowings	29,947,516	-
Other Current Liabilities	317,619,272	-
Short Term Provisions	117,308,747	-
Net cash inflow from operating activities ----'A'	1,788,257,904	1,602,107,674
B. Cash flow from Investing activities		
Investment in Fixed Assets	(9,695,540,790)	(250,811,759)
Capital Work in Progress	5,756,242,356	(386,590,062)
Incidental Expenditure During Construction	3,416,701,915	(1,020,281,318)
(Increase)/Decrease in Loan and Advances and Others	(30,312)	(146,594,340)
Trade Payables	-	(77,079,422)
Net cash used in investing activities-----'B'	(522,626,831)	(1,881,356,901)
C. Cash flow from Financing activities		
Inflow:		
Increase in Share Capital	80,000,000	420,000,000
Increase/(Decrease) in Term Loans	(462,030,332)	1,033,142,857
Outflow:		
Finance Cost	(884,820,011)	(1,602,107,674)
Net cash in financing activities-----'C'	(1,266,850,343)	(148,964,817)
Net increase/(Decrease) in cash or cash equivalent (A+B+C)	(1,219,269)	(428,214,044)
Cash & cash equivalent at the commencement of the year (Opening balance)	74,756,391	502,970,435
Cash & cash equivalent at the end of the year (closing balance)	73,537,122	74,756,391

Accounting Policies and Notes to the Accounts 1 & 2
As per our report of even date attached to the Balance Sheet.

for AWATAR & CO.
Chartered Accountants
Registration No. 000726N

For and on behalf of the Board

Brijendra Agrawal
Partner
Membership No. 087787

Suren Jain
Director

Place : Gurgaon
Date : 25 April, 2013

Anita Rikhy
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