

Board of Directors

R. N. Nayak, Chairman
Sunil Kumar Sharma
Suren Jain
G. P. Singh
R. K. Narayan
Vinod Sharma
Oommen Chandy
Hemant Kumar Sharma, Managing Director
Sachchidanand Singh, Director (Project)

Bankers

Axis Bank Limited
Central Bank of India
ICICI Bank Limited
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
The Jammu & Kashmir Bank Limited

Company Secretary

Anita Rikhy

Auditors

Awatar & Co.
Chartered Accountants
1203, Rohit House
3, Tolstoy Marg,
New Delhi - 110 001.

Registered Office

'JA House', 63, Basant Lok,
Vasant Vihar, New Delhi
Tel: +91(11) 26141540, 26147411
Fax: +91(11) 26142726

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DIRECTORS' REPORT

To,

The Members,

The Directors of your Company have pleasure in presenting the Sixth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

COMMISSIONING OF THE PROJECT

The Directors of your Company are pleased to inform that the Company's 217 Kms, 400 kV D/C (quad conductor) Karcham Wangtoo-Abdullapur Transmission line has been successfully synchronized with the Northern Regional Grid of POWERGRID on 6th March, 2012 and the Company has 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 transmission tariff is expected shortly and the disbursement of tariff to the Company by CTU i.e. Power Grid Corporation of India Ltd would take place after approval of tariff in accordance with the prevailing regulations in this regard.

The Directors of your Company wish to report the total expenditure incurred in the Project pending capitalisation is ₹ 977.15 crore as per Audited Accounts as at 31st March, 2012 which has been met from Equity of ₹ 292 crore, financial assistance from Banks to the extent of ₹ 680 crore and balance from interest earned on Fixed Deposit Receipts.

SHARE CAPITAL

During the year, the paid-up share capital of the Company increased from ₹ 250 crores to ₹ 292 crores by allotment of 4,20,00,000 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.

DIRECTORATE

During the year under report, Shri R.N. Nayak, Chairman and Managing Director of Power Grid Corporation of India Limited was appointed as Non-Executive Chairman of the Company w.e.f. 26th September, 2011 in place of Shri S. K. Chaturvedi who resigned from the office of Director/Chairman of the Company w.e.f. 31st August, 2011 consequent upon his superannuation as Chairman and Managing Director of Power Grid Corporation of India Ltd.

Shri Sachchidanand Singh was appointed by the Board as Whole-Time Director designated as Director (Project) w.e.f. 7th December, 2011, as nominee of Power Grid Corporation of India Limited in place of Shri Prabhakar Singh who resigned as Director (Project) on completion of his tenure w.e.f. 4th December, 2011.

Shri Oommen Chandy has been co-opted on the Board of the Company as an Additional Director w.e.f. 8th May, 2012 in place of Shri T. K. Wali who resigned from the office of Director w.e.f. 26th March, 2012 upon his superannuation from Power Grid Corporation of India Ltd.

Shri H.K.Sharma has been appointed as Director/Managing Director w.e.f. 8th May, 2012. A resolution has been included in the notice for ensuing Annual General Meeting for approval of appointment of Shri H.K.Sharma as Director & Managing Director of the Company.

Shri Rajiv Bhardwaj resigned from the office of Director/Managing Director w.e.f. 30th April, 2012. He was appointed as Director/Managing Director w.e.f. 2nd March, 2007 and was entrusted with the responsibility of implementation of the Company's project of setting up transmission system associated with 1000 MW Karcham Wangtoo HEP.

The Board acknowledges with deep appreciation the contribution of Shri S.K. Chaturvedi as Director/Chairman of the Company, Shri Prabhakar Singh as Director (Project), Shri T. K. Wali as Director and Shri Rajiv Bhardwaj as Director/Managing Director.

Shri R.K. Narayan and Shri G.P. Singh, Directors shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

The re-constituted Audit Committee of the Board comprises of Shri G.P. Singh, Chairman, Shri Suren Jain, Member and Shri Oommen Chandy, Member fully 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, 2012:-

- 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 judgements 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;
- 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

The information with respect to conservation of energy as per Section 217(1)(e) of the Companies Act, 1956 is not applicable as the Project during the year under report was at construction stage.

As regards the information with respect to Technology Absorption, the Project is utilizing and absorbing the modern technology for the construction of transmission line consistent with the leading practices adopted by Power Grid Corporation of India Limited, which is providing the consultancy for design and engineering. There has not been any Foreign Exchange earnings/outgo.

NOTES ON ACCOUNTS

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

AUDITORS

M/s. Awatar & Co., Chartered Accountants, Auditors of the Company shall retire at the conclusion of this 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 Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

ACKNOWLEDGEMENT

The Directors of your Company wish to place on record their 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 and other authorities for their invaluable support and co-operation.

The Directors of your Company also wish to place on record their appreciation to employees at all levels for their dedication and contribution.

On Behalf of the Board

R. N. Nayak
Chairman

Place : Gurgaon

Date : 8th May, 2012

ANNEXURE TO THE DIRECTORS' REPORT**Information in pursuance to Sub-section 2A of Section 217 of the Companies Act, 1956 is given below:**

Name of Employee, 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/- or more

Shri Rajiv Ranjan Bhardwaj, Managing Director, ₹ 79,09,101/- B.Sc. (Hons.), LL.B, Passed IAAS (UPSC), 53, 29, 2nd March, 2007, Jaypee Ventures Private Limited, New Delhi.

Notes:

Gross remuneration includes Salary, House Rent Allowance and other perks like Medical Reimbursement, Leave Travel Assistance, Furnishing Allowance, Company's contribution towards Provident Fund etc. but excludes provision for Gratuity & Leave Encashment.

AUDITORS' REPORT**TO THE MEMBERS OF
JAYPEE POWERGRID LIMITED.**

1. We have audited the attached Balance Sheet of **JAYPEE POWERGRID LIMITED** ("the Company") as at March 31, 2012, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) 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;
 - (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- (v) on the basis of written representations received from the Directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956,
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Brijendra Agrawal

Partner

Place : Gurgaon
Dated : 8th May 2012

Membership.No. 087787

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- In respect of its fixed assets:
 - The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - 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.
 - 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.
- In respect of its inventories:
 - The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - 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.
- 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.
- 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.
- 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.
- In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - 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.
 - 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.
- 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.
- In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 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.
- In respect of statutory dues:
 - 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.
 - 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, 2012 for a period of more than six months from the date of becoming payable.

- (x) The Company's accumulated losses at the end of the period are less than fifty per cent of its net worth. The Company has not incurred cash losses in current financial year but had incurred cash losses 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 period 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
Dated : 8th May 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31/03/2012	AS AT 31/03/2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	2,920,000,000	2,500,000,000
(b) Reserves and Surplus	2.2	(37,550,224)	(18,385,159)
(2) Non Current Liabilities			
(a) Long-term borrowings	2.3	6,460,648,332	5,766,967,143
(b) Deferred tax liabilities (Net)	2.4	8,048,993	-
(c) Long-term provisions	2.5	3,378,195	1,568,875
(3) Current Liabilities			
(a) Trade payables	2.6	35,422,640	2,611,721
(b) Other current liabilities	2.7	456,571,626	227,000,299
(c) Short-term provisions	2.8	430,138	229,416
TOTAL		9,846,949,700	8,479,992,295
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.9	250,328,383	10,632,696
(ii) Capital work-in-progress	2.10	5,796,239,970	5,409,649,908
(iii) Incidental Expenditure During Construction, Pending Allocation	2.11	3,416,701,915	2,394,410,555
(b) Deferred tax assets (net)	2.4	-	-
(c) Long-term loans and advances	2.12	290,672,481	145,324,977
(2) Current assets			
(a) Inventories	2.13	760,733	70,052
(b) Cash and cash equivalents	2.14	74,756,391	502,970,435
(c) Short-term loans and advances	2.15	239,200	111,099
(d) Other current assets	2.16	17,250,627	16,822,573
TOTAL		9,846,949,700	8,479,992,295
Accounting Policies and Notes to 1 & 2 the Accounts			

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

For and on behalf of the Board

 Suren Jain
 Director

 Brijendra Agrawal
 Partner
 Membership No. 087787

 H. K. Sharma
 Managing Director

 Place : Gurgaon
 Date : 8th May, 2012

 Anita Rikhy
 Addl. General Manager &
 Company Secretary

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

(Amount in ₹)

S. No.	Particulars	Note No.	Current Period 2012	Previous Period 2011
I.	Revenue from operations		-	-
II.	Other income		-	-
III.	Total Revenue (I+II)		-	-
IV.	Expenses:			
	Preliminary Expenses Written off		-	18,385,159
	Depreciation for LILO Line	2.9	11,116,072	-
	Total Expenses		11,116,072	18,385,159
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(11,116,072)	(18,385,159)
VI.	Exceptional items			
VII.	Profit before extraordinary items and tax (V-VI)		(11,116,072)	(18,385,159)
VIII.	Extraordinary Items			
IX.	Profit before tax (VII-VIII)		(11,116,072)	(18,385,159)
X.	Tax expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax	2.4	8,048,993	-
XI.	Profit after tax before exceptional item (IX-X)		(19,165,065)	(18,385,159)
XII.	Profit/(Loss) for the year period from continuing operations (VII-VIII)		(19,165,065)	(18,385,159)
XIII.	Profit/(Loss) for the period (XII+XIV)		(19,165,065)	(18,385,159)
XIV.	Earning per equity share of par value ₹ 10/- each			
	(1) Basic		(0.07)	(0.08)
	(2) Diluted		(0.07)	(0.08)
	Number of shares used in computing earnings per share	2.25		
	(1) Basic		265,278,689	224,589,041
	(2) Diluted		265,278,689	224,589,041
Accounting Policies and Notes 1 & 2 to the Accounts				

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

For and on behalf of the Board

 Suren Jain
 Director

 Brijendra Agrawal
 Partner
 Membership No. 087787

 H. K. Sharma
 Managing Director

 Place : Gurgaon
 Date : 8th May, 2012

 Anita Rikhy
 Addl. General Manager &
 Company Secretary

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 31-03-2012	As at 31-03-2011
Authorised		
30,00,00,000 Equity Shares of ₹ 10 each	3,000,000,000	3,000,000,000
(Previous year 30,00,00,000 Equity Shares of ₹ 10/- each)		
Issued, Subscribed and Fully Paid up		
29,20,00,000 (Previous year 25,00,00,000) Equity Shares of ₹ 10/- each fully paid-up.	2,920,000,000	2,500,000,000
Total	2,920,000,000	2,500,000,000

21,60,80,000 equity shares (74%) of the company are held by Jaiprakash Power Ventures Limited, the holding company.

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each holder of equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. However, the Board of Directors has not proposed dividend for the year.

The reconciliation of the number of equity shares as at 31st March, 2012 and 31st March, 2011 is set out below:

S. No.	Particulars	As at March 31, 2012		As at March 31, 2011	
		No. of Shares	Amount	No. of Shares	Amount
1	No. of Shares as on 01/04/2011	250,000,000	2,500,000,000	175,000,000	1,750,000,000
2	Add: Share allotted during the year	42,000,000	420,000,000	75,000,000	750,000,000
3	No. of Shares as on 31/03/2012	292,000,000	2,920,000,000	250,000,000	2,500,000,000

Details of Shareholders holding more than 5% shares

S. No.	Name of Share Holder	As at March 31, 2012		As at March 31, 2011	
		No. of Shares	%	No. of Shares	%
1	Jaiprakash Power Ventures Limited	216,080,000	74*	185,000,000	74*
2	Power Grid Corporation of India Limited	75,920,000	26	65,000,000	26
	Total	292,000,000	100	250,000,000	100

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

(Amount in ₹)

NOTE - 2.2 RESERVES & SURPLUS	AS AT 31/03/2012	AS AT 31/03/2011
Surplus		
Opening Balance	(18,385,159)	-
Add: Net Profit after tax transferred from Statement of Profit and Loss	(19,165,065)	(18,385,159)
Closing Balance	(37,550,224)	(18,385,159)

(Amount in ₹)

NOTE - 2.3 NON CURRENT LIABILITIES -	AS AT 31/03/2012	AS AT 31/03/2011
Long Term Borrowings - Secured Loans		
Rupee Term Loans from Banks	6,460,648,332	5,766,967,143
Total	6,460,648,332	5,766,967,143

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 31.03.2012 was ₹ 292 crore divided into 29.20 crores equity shares of ₹ 10 each, 8.76 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.

Further, State Bank of India (SBI) has replaced ICICI Bank, Indian Overseas Bank and United Bank of India, three of the original lenders, by refinancing of loan amounts of these respective lenders during the year.

Details of Term Loans are as follows:

S. No.	NAME OF THE BANK	AS AT 31/03/2012	AS AT 31/03/2011	TERMS OF REPAYMENT
1	State Bank of India	2,383,734,000	-	Repayment in 44 equal quarterly instalments after a moratorium of 12 months from scheduled COD i.e. 31/12/2011 or project COD whichever is earlier.
2	Punjab National Bank	1,811,983,665	1,663,000,000	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD whichever is earlier.
3	Central Bank of India	1,358,938,835	1,247,200,000	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD whichever is earlier.
4	The Jammu & Kashmir Bank Ltd	905,991,832	831,500,000	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD whichever is earlier.
5	Indian Overseas Bank	-	997,610,000	-
6	United Bank of India	-	582,000,000	-
7	ICICI Bank Limited	-	445,657,143	-
		6,460,648,332	5,766,967,143	

(Amount in ₹)

NOTE - 2.4 DEFERRED TAX	As at 31-03-2012	As at 31-03-2011
Deferred Tax Liabilities (A)		
Fixed Assets	8,048,993	-
Deferred Tax Assets (B)	-	-
Deferred Tax Liabilities (Net) A-B	8,048,993	-

(Amount in ₹)

NOTE - 2.5 LONG-TERM PROVISIONS	As at 31-03-2012	As at 31-03-2011
Provision for long term obligation of Gratuity	1,865,544	439,579
Provision for long term obligation of leave encashment	1,512,651	1,129,296
	3,378,195	1,568,875

(Amount in ₹)

NOTE - 2.6 TRADE PAYABLES	As at 31-03-2012	As at 31-03-2011
Due to Micro, Small Scale, Medium Scale Enterprises	-	-
Other Creditors	35,422,640	2,611,721
	35,422,640	2,611,721

**NOTE - 2.9
TANGIBLE ASSETS**

(Amount in ₹)

Sl. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01/04/2011	Addition During the year	Sale/Transfer during the year	As at 31-03-2012	As at 01/04/2011	For the year	Depreciation Adjustment on Sale/ Transfer	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011	
Tangible assets:												
1	Land	6,327,352	-	-	6,327,352	-	-	-	-	6,327,352	6,327,352	
2	Motor Vehicles	4,530,399	548,721	-	5,079,120	1,438,045	453,176	-	1,891,221	3,187,899	3,092,354	
3	Tolls and Plant Equipment	-	2,666,110	-	2,666,110	-	71,477	-	71,477	2,594,633		
3	Office Equipment	652,284	290,190	-	942,474	71,949	30,742	-	102,691	839,783	580,335	
4	Furniture & Fixtures	506,206	14,139	-	520,346	291,075	32,318	-	323,393	196,952	215,131	
5	EDP Machinery & Equipment	764,346	290,717	52,000	1,003,063	346,822	147,395	25,041	469,176	533,887	417,524	
6	Tower Line LILO	-	247,763,949	-	247,763,949	-	11,116,072	-	11,116,072	236,647,877	-	
	Total	12,780,587	251,573,826	52,000	264,302,413	2,147,891	11,851,180	25,041	13,974,030	250,328,383	10,632,696	
	Previous Year	6,096,712	6,683,875	-	12,780,587	1,533,817	614,074	-	2,147,891	10,632,696	4,562,895	

**NOTE 2.10
CAPITAL WORK-IN-PROGRESS**

(Amount in ₹)

Sl. No.	Opening Balance as at 01/04/2011	Addition during the year	Capitalisation of LILO as at 01/06/2011	Balance as at 31/03/2012	Balance as at 31/03/2011
1 TRANSMISSION LINE					
	5,409,592,309	558,874,950	191,424,955	5,777,042,304	5,409,592,309
2 BUILDINGS					
	57,599	19,140,067	-	19,197,666	57,599
	5,409,649,908	578,015,017	191,424,955	5,796,239,970	5,409,649,908

(Amount in ₹)

NOTE - 2.7 OTHER CURRENT LIABILITIES	As at 31-03-2012	As at 31-03-2011
Current Maturities of Long-Term Debt	339,461,668	-
Retention Money (Contractors)	99,010,195	216,340,384
Interest Accrued but not due on borrowings	7,244,902	2,490,796
Dues to Staff	858,726	1,835,347
Statutory Dues	9,244,348	5,224,099
Other Payables	751,787	1,109,673
	456,571,626	227,000,299

(Amount in ₹)

NOTE - 2.8 SHORT-TERM PROVISION	As at 31-03-2012	As at 31-03-2011
Provision for Expenses	101,000	80,000
Provision for short term current obligation of Gratuity	69,490	35,128
Provision for short term current obligation of leave encashment	259,648	114,288
	430,138	229,416

**NOTE 2.11
Statement of Incidental Expenditure During Construction, Pending Allocation.**

(Amount in ₹)

PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
Advertisement & Publicity	3,651,596	2,603,829
Auditor's Remuneration		
- For Audit	1,411,590	962,150
- For Tax Audit	144,905	144,905
- For Certification	33,090	-

PARTICULARS	(Amount in ₹)	
	AS AT 31/03/2012	AS AT 31/03/2011
Bank Charges	866,959	844,230
Books and Periodicals	167,088	157,991
Communication Expenses	1,914,579	1,520,893
Consultancy Expenses	254,753,056	228,017,056
Crop and Tree Compensation	350,836,289	146,272,147
Depreciation	2,882,999	2,147,891
Directors' Sitting Fee	2,460,000	2,000,000
Employees Remuneration & Benefits	109,336,260	73,266,182
Finance Charges	86,793,648	65,943,342
Forest Compensation	955,297,779	939,002,285
Interest on Term Loan	1,602,107,674	880,509,426
Internal Auditor Fee	442,230	220,600
Legal and Professional Expenses	89,201,655	56,175,411
License Fee	2,000,000	800,000
Miscellaneous Expenses	17,683,073	8,890,458
Printing & Stationery Expenses	1,065,015	848,154
Gratuity Premium Paid	1,338,557	925,269
Provision for Gratuity/Leave Encashment	3,707,333	1,718,291
Tax Paid	14,176,427	14,176,427
Rent, Rates & Taxes	3,955,563	1,903,390
Travelling & Conveyance Expenses	27,474,170	19,994,065
Vehicle Running & Maintenance Expenses	11,189,863	7,859,902
	3,544,891,398	2,456,904,294
Less:- Interest on Short Term Deposit with Banks (TDS - ₹ 9,30,262/-, Previous Year - ₹ 15,36,109/-)	70,437,009	61,080,260
Less:- Bidding Fee (Net of Expenses)	1,413,479	1,413,479
Incidental Expenses LILO Line Capitalisation		
- Crop and Tree Compensation (LILO Portion)	8,057,044	-
- Interest on Term Loan (LILO Portion)	27,446,011	-
- Incidental Expenses Other (LILO Portion)	20,835,939	-
Amount Carried Forward to Balance Sheet	3,416,701,915	2,394,410,555
	(Amount in ₹)	
NOTE - 2.12 LONG-TERM LOANS AND ADVANCE	AS AT 31/03/2012	AS AT 31/03/2011
Security Deposit with Govt. Depts. Public bodies	360,360	103,400
Security Deposit with others	241,097	36,597
Capital Advances to Contractors	290,071,024	145,184,980
	290,672,481	145,324,977

NOTE - 2.13 INVENTORIES	(Amount in ₹)	
	AS AT 31/03/2012	AS AT 31/03/2011
Inventories - Construction Material	760,733	70,052
	760,733	70,052
	(Amount in ₹)	
NOTE - 2.14 CASH AND CASH EQUIVALENTS	AS AT 31/03/2012	AS AT 31/03/2011
Cash in Hand	40,383	115,886
Cheque in Hand	69,237	-
Balances with Scheduled Banks in Current Accounts		
- Oriental Bank of Commerce	80,102	80,102
- Axis Bank	3,397,444	11,790,855
- Axis Bank (TDS A/c)	6,104,020	-
- ICICI Bank Ltd.	183,756	183,756
- State Bank of India	8,714,673	2,619,532
Term deposit having remaining maturity of 3 months or less		
- ICICI Bank Ltd.	-	57,006,191
Trust & Retention Account		
- ICICI Bank Ltd.*	56,166,776	31,174,113
Term deposit having remaining maturity of 3 months or less		
- ICICI Bank Ltd.	-	400,000,000
	74,756,391	502,970,435

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

NOTE - 2.15 SHORT-TERM LOANS AND ADVANCES	(Amount in ₹)	
	AS AT 31/03/2012	AS AT 31/03/2011
Staff Imprest and Advance to Supplier	239,200	111,099
	239,200	111,099

NOTE - 2.16 OTHER CURRENT ASSETS	(Amount in ₹)	
	AS AT 31/03/2012	AS AT 31/03/2011
Interest Accrued on FDR	46,792	448,550
Advance Tax and TDS/TCS	17,176,876	16,074,023
Other Receivable	26,959	300,000
	17,250,627	16,822,573

NOTE - 2.17 BORROWING COST	(Amount in ₹)	
	AS AT 31/03/2012	AS AT 31/03/2011
LILO Portion (capitalised during the year)	27,446,011	-
	27,446,011	-

NOTE 2.18

As LILO portion of 400 KV Baspa Nathpa Transmission line became ready for intended use for evacuation of power from Karcham Wangtoo HEP w.e.f. 26th May, 2011 and DOCO w.e.f 1st June, 2011, it has been capitalized and depreciation of ₹ 1,11,16,072/- has been charged to the Statement of Profit and Loss. A petition has been filed by the Company

before CERC for approval of DOCO and the corresponding transmission charges. Pending approval of the petition by CERC, revenue has not been recognized for the transmission charges. There are no identifiable direct/indirect expenses in respect of LILO portion.

NOTE 2.19
Employees Benefits

- a) All employees are entitled to Provident Fund benefits. Amount debited to Incidental Expenditure During Construction ₹ 16,76,567/- (previous year ₹ 13,39,326/-)
- 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. Contribution of ₹ 4,13,288/- towards gratuity premium for the year 2011-12 (previous year ₹ 7,41,967/-) is based on actuarial valuation.

- c) Leave Encashment - Defined Benefit Plan

The Company has a scheme of encashment of accumulated leaves. The scheme is unfunded and is recognized in Incidental Expenses During Construction – Pending Allocation on the basis of actuarial valuation on annual basis.

The summarized position of defined benefits recognised in the IEDC and Balance Sheet are as under

Sl. No.	Particulars	2011-12		2010-11	
		Gratuity (Funded)	Leave Encashment	Gratuity (Funded)	Leave Encashment
I	Expenses recognized in the Statement of Incidental Expenditure During Construction for the Period ended March 31.				
1	Current Service Cost.	466,356	486,452	406,345	415,490
2	Interest Cost	113,187	105,705	50,092	67,958
3	Expected return on plan assets	(76,692)	-	(10,344)	-
4	Actuarial (Gains)/Losses	23,880	(41,789)	259,372	(25,734)
5	Past Service Cost	-	-	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	523,731	550,368	705,465	457,714
II	Net Asset/ (Liability) recognized in the Balance Sheet as at March 31.				
1	Present Value of defined Benefit Obligation.	1,935,034	1,772,299	1,331,611	1,243,584
2	Fair Value of Plan Assets	936,596	-	856,904	-
3	Funded Status (Surplus/Deficit)	(998,438)	(1,772,299)	(474,707)	(1,243,584)
4	Net Asset (Liability) as at March 31, 2012	(998,438)	(1,772,299)	(474,707)	(1,243,584)
III	Change in Obligation during the Period ended March 31.				
1	Present Value of defined Benefit Obligation at the beginning of the year.	1,331,611	1,243,584	626,146	849,469
2	Current Service Cost.	466,356	486,452	406,345	415,490
3	Interest Cost.	113,187	105,705	50,092	67,958
4	Settlement Cost.	-	-	-	-
5	Past Service Cost.	-	-	-	-
6	Employee Contributions.	-	-	-	-
7	Actuarial (Gains) / Losses	23,880	(41,789)	249,028	(25,734)
8	Benefit Payments	-	(21,653)	-	(63,599)
9	Present Value of Defined Benefit Obligation at the end of the year.	1,935,034	1,772,299	1,331,611	1,243,584
IV	Change in Assets during the Period ended March 31.				
1	Plan Assets at the beginning of the year.	856,904	-	114,937	-
2	Assets acquired on amalgamation in previous year.	-	-	-	-
3	Settlements.	-	-	-	-
4	Expected return on Plan Assets.	-	-	10,344	-
5	Contribution by Employer.	-	-	741,967	-
6	Actual Benefit Paid.	-	-	-	-
7	Actuarial Gains / (Losses)	-	-	(10,344)	-
8	Plan Assets at the end of the year.	936,596	-	856,904	-
9	Actual Return on Plan Assets.	-	-	(10,344)	-

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 - 2.20	AS AT 31/03/2012	AS AT 31/03/2011
CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
Estimated amount of Contract remaining to be executed on Capital Account (net of advances)	35,573,590	235,140,613
Claims against the Company not acknowledged as debt	365,203,587	-
Interest Disputed with IOB	6,127,001	-

NOTE 2.21

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:-

I. 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 Karcham Hydro Corporation Ltd. (subsidiary of JPVL amalgamated with Jaiprakash Power Ventures Limited w.e.f. 26.07.2011)
- [ii] Jaypee Infratech Ltd.
- [iii] Himalyan Expressway Ltd.
- [iv] Jaypee Ganga Infrastructure Corporation Ltd.
- [v] Bina Power Supply Company Ltd. (subsidiary of JPVL amalgamated with Jaiprakash Power Ventures Limited w.e.f. 26.07.2011)
- [vi] Bhilai Jaypee Cement Ltd.
- [vii] Gujarat Jaypee Cement & Infrastructure Ltd.
- [viii] Bokaro Jaypee Cement Ltd.
- [ix] Jaypee Arunachal Power Ltd. (JV subsidiary of Jaiprakash Power Ventures Ltd.)
- [x] Sangam Power Generation Company Limited.
- [xi] Prayagraj Power Generation Company Limited.
- [xii] Jaypee Agra Vikas Limited.
- [xiii] Jaypee Sports International Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [xiv] Jaypee Fertilizers & Industries Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [xv] Jaypee Cement Corporation Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [xvi] Jaypee Meghalaya Power Ltd. (subsidiary of Jaiprakash Power Ventures Ltd.)
- [xvii] Jaypee Assam Cement Limited (w.e.f. 30.08.2011)
- [xviii] Himalyaputra Aviation Limited (w.e.f. 23.07.2011)

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)
- [xxi] Indus Hotels UK Limited (subsidiary of IEPL) (dissolved on 05.07.2011)
- [xxii] GM Global Mineral Mining Private Limited (subsidiary of IEPL)

d) Key Management Personnel

- [i] Shri Rajiv Ranjan Bhardwaj, Managing Director
- [ii] Shri Prabhakar Singh, Whole - time Director (till 04.12.2011)
- [iii] Shri Sachchidanand Singh, Whole - time Director (w.e.f. 07.12.2011)

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	2011-12	2010-11
1	Issue of Equity Share Capital	Jaiprakash Power Ventures Ltd. (earlier known as Jaiprakash Hydro-Power Ltd.)	310,800,000	55,50,00,000
		Power Grid Corporation of India Ltd.	109,200,000	19,50,00,000
2	Advance paid for extension bays	Power Grid Corporation of India Ltd.	-	84,18,058

S. No.	Nature of Transaction	Related Party	2011-12	2010-11
3	Consultancy	Power Grid Corporation of India Ltd.	22,060,000	-
4	Advance paid for supply and erection of Reactors	Jaiprakash Associates Limited	150,000,000	-
5	Rent agreement	Jaiprakash Associates Limited	1,383,600	-
6	Key Management Personnel	Referred in (d) above	12,179,660	8,659,374

NOTE 2.22

As per the information available with the Company, the Company has no dues to micro and small enterprises during the year ended March 31, 2012 and March 31, 2011.

NOTE 2.23

No provision has been made towards Income Tax (previous year -Nil) and Wealth Tax (previous year -Nil).

Provision for Deferred Tax Liability of ₹ 80,48,993/- (previous year-Nil) has been made during the year.

NOTE 2.24

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.

NOTE - 2.25 Number of shares calculated in computing earning per share as per provisions of AS-20	AS AT 31/03/2012	AS AT 31/03/2011
Number of equity share of ₹ 10/- each (opening)	250,000,000	175,000,000
Number of Share allotted during the year	42,000,000	75,000,000
Number of equity share of ₹ 10/- each (closing)	292,000,000	250,000,000
Weighted Average number of equity shares for calculating Basic EPS	265,278,689	224,589,041
Weighted Average number of equity shares for calculating Diluted EPS	265,278,689	224,589,041

NOTE 2.26

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

Suren Jain
Director

Brijendra Agrawal
Partner
Membership No. 087787

H. K. Sharma
Managing Director

Anita Rikhy

Addl. General Manager &
Company Secretary

Place : Gurgaon
Date : 8th May, 2012

CASH FLOW STATEMENT FOR THE PERIOD ENDING MARCH 31, 2012

(Amount in ₹)

	2011-2012	2010-2011
A. Cash flow from operating activities		
Net Loss form Profit and Loss Statement	(11,116,072)	(18,385,159)
Add: 1) Preliminary Expenses Written off	-	18,385,159
2) Depreciation	11,116,072	-
Net cash inflow from operating activities ----'A'	-	-
B. Cash flow from Investing activities		
Outflow		
Investment in Fixed Assets	(250,811,759)	(6,069,801)
Investment in Capital Work in Progress	(386,590,062)	(956,135,269)
Investment in Incidental Expenditure During Construction	(1,020,281,318)	(683,764,973)
(Increase)/Decrease in Loan and Advances and Others	(146,594,340)	(960,964)
Increase/(Decrease) in Trade Payables	(77,079,422)	(313,107,642)
Net cash used in investing activities-----'B'	(1,881,356,901)	(1,960,038,649)
C. Cash flow from Financing activities		
Inflow		
Increase in Share Capital	420,000,000	275,000,000
Increase in Term Loans	1,033,142,857	1,717,612,723
Net cash in financing activities-----'C'	1,453,142,857	1,992,612,723
Net increase/(Decrease) in cash or cash equivalent (A+B+C)	(428,214,044)	32,574,074
Cash & cash equivalent at the commencement of the year (Opening balance)	502,970,435	470,396,361
Cash & cash equivalent at the end of the year (closing balance)	74,756,391	502,970,435

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

Suren Jain
Director

Brijendra Agrawal
Partner
Membership No. 087787

H. K. Sharma
Managing Director

Place : Gurgaon
Date : 8th May, 2012

Anita Rikhy
Addl. General Manager &
Company Secretary