

JAYPEE MEGHALAYA
POWER LIMITED

Board of Directors

Suren Jain

Pankaj Gaur

Shyam Datt Nailwal

Praveen Kumar Singh

Bankers/Lenders

Axis Bank Limited

Registered Office

J A House, 63 Basant Lok, Vasant Vihar
New Delhi-110057

Corporate Office

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

Auditors

R. Nagpal Associates
Chartered Accountants
New Delhi

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DIRECTORS' REPORT

To,

The Members

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

PROJECT

Jaiprakash Power Ventures Limited (JPVL), the holding Company had entered into two separate Memorandum of Agreements with Government of Meghalaya for implementing 270 MW Umngot HE Project in the Umngot river and 450 MW Kynshi-II Hydro-electric Power Project in the Kynshi River Basin both in the State of Meghalaya through a Special Purpose Vehicle to be created for this purpose.

Accordingly, your Company was incorporated on 26th August 2010 as wholly owned subsidiary of JPVL to implement Umngot HE Power Project and Kynshi-II HE Power Project on BOOT (Build, Own, Operate and Transfer) basis.

A Project transfer Agreement was signed between JPVL and the Company on 1st January 2011 and accordingly both the Projects were transferred in the name of the Company. JPVL alongwith its associates will ultimately hold 74% of the equity of the Company and the balance 26% will be held by the Government of Meghalaya.

Necessary steps have been initiated to start the works relating to survey and investigation for the Projects.

DIRECTORATE

In terms of Article 85 of the Articles of Association of the Company, Shri Suren Jain, Shri Pankaj Gaur and Shri Praveen Kumar Singh constituted the first Board of Directors of the Company and they assumed their offices as the first Directors of the Company w.e.f the date of incorporation, i.e. 26th August, 2010.

Shri Shyam Datt Nailwal was co-opted as an Additional Director in terms of Article 88 of the Article of Association of the Company. Shri Shyam Datt Nailwal holds office of Director till the ensuing Annual General Meeting. A resolution for his appointment as Director has been included in the Notice of the Annual General Meeting for approval of the members.

Shri Suren Jain would retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

AUDITORS

In accordance with the provisions of Section 224(5) of Companies Act, 1956, M/s R. Nagpal Associates, Chartered Accountants were appointed as first Auditors of the Company by the Board in its Meeting held on 1st September, 2010. M/s R Nagpal Associates, Chartered Accountants shall retire at the conclusion of the forthcoming Annual General Meeting and, are eligible 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.

FIXED DEPOSITS

The Company has neither invited nor accepted any deposit during the period under report within the meaning of Section 58A of Companies Act, 1956.

PARTICULARS OF EMPLOYEES

During the period under report, none of the employees was in receipt of remuneration prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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

Section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable, as the Project of the Company is still under implementation and the Company is not engaged in manufacturing activity.

There were no foreign exchange earnings or outgo during the period 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 in respect of the audited annual accounts for the period ended March 31, 2011:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- ii) that the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ended March 31, 2011 and the loss of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors had prepared the annual accounts on a going concern basis.

NOTES ON ACCOUNTS

The observations of Auditors in the Auditors' Report and notes to the accounts are self-explanatory.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation and gratitude to Government of Meghalaya, other State Government Departments and Axis Bank Limited for their valuable support & continued co-operation to the Company.

On Behalf of the Board

Place: Noida
Date : 3rd May 2011

SUREN JAIN
Director

PANKAJ GAUR
Director

AUDITORS' REPORT

TO THE MEMBERS OF

JAYPEE MEGHALAYA POWER LIMITED.

We have audited the attached Balance Sheet of **JAYPEE MEGHALAYA POWER LIMITED** as at 31st March 2011 and the annexed Profit and Loss Account for the period from 26th August 2010 to 31st March 2011 and Cash Flow Statement for the period ended 31st March 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

- (1) As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227(4-A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
- (c) The Balance Sheet and the Statement of Incidental Expenditure During Construction Pending Allocation and Cash Flow Statement referred to in this report, are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and the Profit and Loss Account for the period from 26th August 2010 to 31st March 2011 and Cash Flow Statement referred to in this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of communication received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011,
 - ii) in the case of the Profit and Loss Account, of the Loss of the Company for the period from 26th August 2010 to 31st March 2011, and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended 31st March 2011.

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

Place : Noida
Dated : 3rd May 2011

CA R. NAGPAL
Partner
M.No. 81594

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2011 of **JAYPEE MEGHALAYA POWER LIMITED**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
- (c) No Fixed assets have been disposed off during the period, so as to affect the Company as a going concern.
- (ii) As the Company has no inventory, Clause (ii) of Para 4 of the Order is not applicable.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) We are of the opinion that during the period under observation, the Company had an internal audit system commensurate with its size & nature of its business wherein it was observed that all transactions are carried out under the personal supervision of senior officials/directors of the Company.
- (viii) As the Company is in the implementation stage, Clause (viii) of Para 4 of the Order is not applicable.
- (ix) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc with the appropriate authorities, and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-Tax, Sales-Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute.
- (x) As the Company is in the implementation stage, Clause (x) of Para 4 of the Order is not applicable.
- (xi) As the Company has not issued any debentures nor taken any loans from banks or financial institutions, Clause (xi) of Para 4 of the Order is not applicable.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Clause (xiii) of Para 4 of the Order is not applicable.
- (xiv) In our opinion the Company is not dealing in or trading in shares, debentures or other investments. Accordingly, Clause (xiv) of Para 4 of the Order is not applicable.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions; hence Clause (xv) of Para 4 of the Order is not applicable.
- (xvi) The Company has not taken any term loans; hence Clause (xvi) of Para 4 of the Order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we find that funds raised on short term basis have been used for long term investment, to the extent of share application money received by the company pending allotment of shares.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) As the Company has not issued any Debentures, Clause (xix) of Para 4 of the Order is not applicable.
- (xx) As the Company has not raised any money by way of public issues, Clause (xx) of Para 4 of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Place : Noida
Dated : 3rd May 2011

CA R. NAGPAL
Partner
M.No. 81594

BALANCE SHEET AS AT 31ST MARCH, 2011

| SCHEDULE | As at 31.3.2011 Rs. |
|---|--------------------------------|
| SOURCES OF FUNDS | |
| Share Capital A | 500,000 |
| Share Application Money | 49,500,000 |
| TOTAL SOURCES OF FUNDS | 50,000,000 |
| APPLICATION OF FUNDS | |
| FIXED ASSETS B | |
| Gross Block | 591,160 |
| Less: Depreciation | 51,912 |
| Net Block | 539,248 |
| Incidental Expenditure during construction pending allocation C | 40,628,712 |
| | 41,167,960 |
| CURRENT ASSETS, LOANS & ADVANCES D | |
| Cash & Bank Balances | 7,220,915 |
| Loans & Advances | 1,720,364 |
| | 8,941,279 |
| Less: Current Liabilities & Provisions E | |
| Current Liabilities | 312,842 |
| Provisions | - |
| | 312,842 |
| NET CURRENT ASSETS | 8,628,437 |
| MISCELLANEOUS EXPENDITURE F | - |
| (to the extent not written off or adjusted) | |
| PROFIT & LOSS ACCOUNT | 203,603 |
| TOTAL APPLICATION OF FUNDS | 50,000,000 |
| Accounting Policies and Notes to the Accounts G | |
| As per our report of even date attached to the Balance Sheet | |
| For R. NAGPAL ASSOCIATES Chartered Accountants Firm Regn No.: 002626N | For and on Behalf of the Board |
| R. Nagpal Partner M.No.81594 | Suren Jain Director |
| | Pankaj Gaur Director |
| Place : Noida Date : 3rd May, 2011 | |

PROFIT AND LOSS ACCOUNT

for the period from 26th August 2010 to 31st March 2011

| SCHEDULE | As at 31.03.2011 Rs. |
|---------------------------------------|----------------------------|
| INCOME | |
| | - |
| EXPENDITURE | |
| Preliminary expenses written off | 203,603 |
| | 203,603 |
| Profit/(Loss) for the period | (203,603) |
| Balance loss carried to Balance Sheet | (203,603) |

Accounting Policies and Notes to the Accounts **G**

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

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

For and on Behalf of the Board

R. Nagpal
Partner
M.No.81594

Suren Jain
Director

Pankaj Gaur
Director

Place : Noida
Date : 3rd May, 2011

**SCHEDULE-A :
SHARE CAPITAL**

| | As at 31.03. 2011 Rs. |
|---|-----------------------------|
| Authorised | |
| 10,00,000 Equity Shares of Rs. 10/- each | 10,000,000 |
| Issued, Subscribed and Paid up | |
| 50,000 Equity Shares of Rs. 10/- each fully paid up in cash | 500,000 |
| (The entire paid up Equity Share Capital is held by Jaiprakash Power Ventures Limited, the Holding Company and its nominees.) | |
| TOTAL | 500,000 |

SCHEDULE - B
FIXED ASSETS

(Amount in Rs.)

| Particulars | Gross Block | | Depreciation | | Net Block |
|----------------------|-----------------------------|------------------------|----------------|------------------------------------|------------------|
| | Additions during the Period | Total As at 31.03.2011 | For the Period | Total Depreciation upto 31.03.2011 | As at 31.03.2011 |
| Plant & Machinery | 446,055 | 446,055 | 13,149 | 13,149 | 432,906 |
| Furniture & Fixtures | 18,955 | 18,955 | 18,955 | 18,955 | - |
| Computers | 79,000 | 79,000 | 12,933 | 12,933 | 66,067 |
| Office Equipments | 47,150 | 47,150 | 6,875 | 6,875 | 40,275 |
| Total | 591,160 | 591,160 | 51,912 | 51,912 | 539,248 |

SCHEDULE-C :

Incidental Expenditure during construction pending allocation for the period from 26th August 2010 to 31st March 2011

| Particulars | As at 31.03.2011 Rs. |
|--|----------------------|
| Camp Maintenance Expenses | 555,628 |
| Car Hire Charges | 267,528 |
| Consultancy Charges | 35,000 |
| Freight & Octroi Charges | 98,029 |
| Mess Expenses | 401,131 |
| Miscellaneous Exp | 27,307 |
| Power & Electricity Charges | 15,640 |
| Printing & Stationery | 36,151 |
| Rates & Taxes | 14,000 |
| Rent | 87,061 |
| Repair & Maintenance (Others) | 11,598 |
| Repair & Maintenance (Plant & Machinery) | 18,288 |
| Road Work Expenses | 311,383 |
| Rural Development Expenses | 1,500,000 |
| Survey Works Expenses | 369,363 |
| Telephone & Telex Expenses | 13,562 |
| Travelling Expenses | 395,629 |
| Upfront & Processing Fee Of The Project Transferred From Holding Co. | 36,000,000 |
| Vehicle Running & Maintenance | 309,202 |
| Auditor's Remuneration: | |
| - Audit Fees | 110,300 |
| Depreciation | 51,912 |
| Amount Carried Forward | 40,628,712 |

SCHEDULE-D:

As at 31.03.2011 Rs.

CURRENT ASSETS , LOANS & ADVANCES

A CURRENT ASSETS

| | |
|---|------------------|
| Cash & Bank Balances | |
| a) Cash | 360,679 |
| b) Balances with Scheduled Banks - in Current Account | 6,860,236 |
| TOTAL - A | 7,220,915 |

B LOANS AND ADVANCES

| | |
|---|------------------|
| (Unsecured, considered good) | |
| Advance recoverable in cash or in kind for value to be received | 1,215,486 |
| Imprest Others | 400,489 |
| Prepaid expenses | 59,389 |
| Security Deposit - others | 45,000 |
| TOTAL - B | 1,720,364 |
| TOTAL A + B | 8,941,279 |

SCHEDULE 'E'

CURRENT LIABILITIES & PROVISIONS

A CURRENT LIABILITIES

| | |
|---|----------------|
| i) Sundry Creditors | |
| - Due to Micro, Small Scale, Medium Scale Enterprises | - |
| - Other Creditors : | - |
| ii) Other liabilities | 190,207 |
| iii) Expenses payable | 122,635 |
| TOTAL - A | 312,842 |

B PROVISIONS

| | |
|--------------------|----------------|
| TOTAL - B | - |
| TOTAL A + B | 312,842 |

SCHEDULE 'F'

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

| | |
|--|----------|
| Preliminary Expenses | 203,603 |
| Less: Preliminary expenses written off | 203,603 |
| TOTAL | - |

SCHEDULE: G

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of Financial Statements:

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

(b) Revenue Recognition:

Expenditure and Income are accounted for on accrual basis.

(c) Fixed Assets

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

(d) Depreciation

- (a) Fixed Assets are depreciated as per straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (b) Depreciation on Assets of Rs. 5,000 or less is provided at 100% irrespective of the actual period of use.

(e) Employee Benefits

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

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

(f) Preliminary Expenses

Preliminary expenses are written off in first year of Incorporation.

(g) Expenditure during Construction Period

Expenditure incurred on the Project during Construction is capitalised and apportioned to various assets on commissioning of the Project.

(h) Taxes on Income

Current Tax is determined as per the provisions of the Income Tax Act in respect of the Taxable Income.

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

(i) Earning Per Share

Basic earning Per Equity Share is computed by dividing the net profit or loss after tax by the weighted average number of Equity Shares outstanding during the period.

(j) Borrowing Costs

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

(k) Provisions, Contingent Liabilities and Contingent Assets

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

(l) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and

value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

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

(m) Intangible Assets

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

2. NOTES TO ACCOUNTS

1. Contingent Liabilities- NIL.
2. The Company has been incorporated to take over the Kynshi-II & Umngot projects from its Holding Company Jaiprakash Power Ventures Limited. The Company has reimbursed Rs. 3.60 Cr. paid as upfront & processing fee to its holding company.
3. (a) Preliminary expenses have been written off through Profit & Loss Account.
(b) As the Company has not yet started operation, the necessary details as per part-II of Schedule - VI to the Company Act, 1956 have been disclosed in the "Schedule C - Incidental Expenditure during construction, pending Allocation."
4. In the opinion of Board of Directors, the "Current Assets, Loans and Advances" have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
5. There are no Deferred Tax Liabilities / Assets as at 31st March, 2011.
6. Additional information pursuant to provisions of paragraphs 3 and 4 of Part - II of Schedule-VI to the Companies Act, 1956

(a) Capacity & Production

(i) Kynshi-II H.E. Project

| | |
|--------------------|-----------------------|
| Licensed Capacity | - 450 MW (As per MoA) |
| Installed Capacity | - NIL |
| Actual Production | - NIL |

(ii) Umngot

| | |
|--------------------|------------------------|
| Licensed Capacity | - 270 MW (As per MoA). |
| Installed Capacity | - NIL |
| Actual Production | - NIL |

- (b) Managerial remuneration paid to Directors. - NIL

- (c) Expenditure in foreign currency - NIL

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

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

(a) Holding Company:

- (1) Jaiprakash Power Ventures Limited
- (2) Jaiprakash Associates Limited, holding company of Jaiprakash Power Ventures Limited.

(b) Fellow Subsidiary Companies:

- (1) Jaypee Karcham Hydro Corporation Limited (subsidiary of Jaiprakash Power Ventures Limited w.e.f. 02.12.2010)
- (2) Jaypee Powergrid Limited (subsidiary of Jaiprakash Power Ventures Limited)
- (3) Bina Power Supply Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- (4) Sangam Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- (5) Prayagraj Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- (6) Jaypee Arunachal Power Limited (subsidiary of Jaiprakash Power Ventures Limited)
- (7) Jaypee Ganga Infrastructure Corporation Limited
- (8) Himalayan Expressway Limited

- (9) Jaypee Infratech Limited
- (10) Jaypee Sports International Limited
- (11) Bhilai Jaypee Cement Limited
- (12) Bokaro Jaypee Cement Limited
- (13) Gujarat Jaypee Cement & Infrastructure Limited
- (14) Jaypee Agra Vikas Limited
- (15) Jaypee Fertilizers & Industries Limited (w.e.f.03.06.2010)
- (16) Jaypee Cement Corporation Limited (w.e.f. 22.02.2011)

(c) Associate Companies:

- (1) Jaypee Ventures Private Limited
- (2) Jaypee Development Corporation Limited (subsidiary of Jaypee Ventures Private Limited)
- (3) JIL Information Technology Limited (subsidiary of Jaypee Ventures Private Limited)
- (4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- (5) Indesign Enterprises Pvt. Limited (subsidiary of Jaypee Ventures Private Limited)
- (6) Indus Hotels UK Limited (subsidiary of Indesign Enterprises Pvt. Ltd.)
- (7) GM Global Mineral Mining Pvt. Ltd. (subsidiary of Indesign Enterprises Pvt. Ltd. w.e.f. 16.07.2010)
- (8) Ibonshourne Limited (subsidiary of Indesign Enterprises Private Limited w.e.f. 13.10.2010)
- (9) Jaiprakash Agri Initiatives Company Limited (subsidiary of Jaypee Ventures Private Limited)
- (10) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Ventures Private Limited)
- (11) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- (12) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures Private Limited)
- (13) RPJ Minerals Private Limited
- (14) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
- (15) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (16) Sonebhadra Minerals Private Limited
- (17) MP Jaypee Coal Limited
- (18) MP Jaypee Coal Fields Limited
- (19) Madhya Pradesh Jaypee Minerals Limited
- (20) Jaiprakash Kashmir Energy Limited
- (21) Jaypee Uttar Bharat Vikas Private Limited (w.e.f. 21.06.2010)
- (22) Kanpur Fertilizers & Cement Limited (w.e.f 26.09.2010)
- (23) Vasujai Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)
- (24) Samsun Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)
- (25) Sunvin Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)
- (26) Manumanik Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)
- (27) Arman Estate Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)
- (28) Suneha Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)
- (29) Pee Gee Estates Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)
- (30) Vinamra Housing & Constructions Private Limited (since merged with Jaypee Ventures Private Limited w.e.f 01.04.2009)

(d) Key Management Personnel:

Shri Pankaj Gaur Director

- (2) Transactions carried out with related parties referred to above in ordinary course of business:

| Nature of Transaction | Referred in (a) above | Referred in (b) above | Referred in (c) above | Referred in (d) above |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Share Capital | 5,00,000 | - | - | - |
| Share Application Money | 4,95,00,000 | - | - | - |
| Expenditure | | | | |
| Project Transfer | 3,60,00,000 | | | |
| Preliminary Expenses | 1,76,675 | - | - | - |
| Outstanding | | | | |
| Amount Payable | - | - | - | - |

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

| S. No. | Particulars | Current Period Amount (Rs.) |
|--------|---|-----------------------------|
| a) | The principal amount and interest due thereon remaining unpaid to any supplier – Principal Amount – Interest Amount | Nil Nil |
| b) | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day. | Nil |
| c) | The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed during year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | Nil |
| d) | The amount of interest accrued and remaining unpaid | Nil |
| e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | Nil |

9. (a) Provident Fund – Defined Contribution Plan: There were no employees and therefore Provident Fund is not applicable.
(b) Gratuity & Leave Encashment – As there were no employees hence Gratuity and Leave encashment is not applicable.
10. Earnings Per Share is computed in accordance with Accounting Standard – 20 issued by the Institute of Chartered Accountants of India.

Amount in Rs.)

2010-11

| | |
|---|-----------|
| [a] Net Profit/(Loss) for Basic Earnings Per Share as per Profit & Loss Account | (203,603) |
| [b] No. of Equity Shares | 50,000 |
| [c] Basic Earnings Per Share | (4.07) |
| [d] Fair Value Per Share | 10/- |

11. This being the first accounting period since incorporation, therefore no previous year figures are given.
12. All figures have been rounded off to nearest rupee.

Signature to Schedules "A" to "G"

For R. NAGPAL ASSOCIATES

For and on Behalf of the Board

Chartered Accountants

Firm Regn No.: 002626N

R. Nagpal
Partner
M.No.81594

Suren Jain
Director

Pankaj Gaur
Director

Place : Noida

Date : 3rd May, 2011

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

**Cash Flow Statement for the period from
26th August 2010 to 31st March 2011**

| | | Current Year Rs. |
|--|--|-----------------------|
| I Registration Details: | | |
| Registration No. | U74999DL2010PLC207575 | State Code No. 55 |
| Balance Sheet Date | 31.03.2011 | |
| II Capital raised during the period (Rs. in Thousands) | | |
| Public Issue | Nil | Rights Issue Nil |
| Bonus Issue | Nil | Private Placement 500 |
| III Position of Mobilisation and Deployment of Funds | (Rs. in Thousands) | |
| | As at 31.03.2011 | |
| Total Liabilities | 50,000 | |
| Total Assets | 50,000 | |
| Sources of Funds | | |
| Paid-up Capital | 500 | |
| Share Application Money | 49,500 | |
| Reserve & Surplus | - | |
| Deferred Revenue | - | |
| Secured Loans | - | |
| Unsecured Loans | - | |
| | 50,000 | |
| Application of Funds | | |
| Net Fixed Assets (including CWIP) | 539 | |
| Preoperative Expenses of New Projects (Pending Capitalisation) | 40,629 | |
| Investments | - | |
| Net Current Assets | 8,628 | |
| Miscellaneous Expenditure | - | |
| Accumulated Losses | 204 | |
| | 50,000 | |
| IV Performance of Company | | |
| Turnover | - | |
| Extra ordinary items | - | |
| Total Expenditure | - | |
| Profit/(Loss) Before Tax | - | |
| Profit/(Loss) After Tax | - | |
| Basic Earnings Per Share in Rs. | - | |
| Dividend Rate | - | |
| V Generic Names of three Principal Products/Services of the Company (as per Monetary terms) | | |
| Item Code No. (ITC Code) | 8502.30 | |
| Product Description | Power Generation | |
| | } Not Applicable since the project is under implementation | |
| A. Cash flow from Operating Activities | | |
| Loss as per P&L Account | (203,603) | |
| Add: Preliminary expenses written off | 203,603 | |
| Net cash inflow from operating activities – 'A' | | - |
| B. Cash flow from Investing Activities | | |
| Outflow | | |
| Investment in Fixed Assets and Capital work in Progress | (591,160) | |
| Incidental Expenditure Pending allocation net of Depreciation | (40,576,800) | |
| (Increase)/Decrease in Loans and Advances and others | (1,720,364) | (42,888,324) |
| Inflow | | |
| Increase (Decrease) in Trade Payables | 312,842 | |
| Increase (Decrease) in Provisions | - | 312,842 |
| Net cash used in investing activities – 'B' | | (42,575,482) |
| C. Cash flow from Financing Activities | | |
| Inflow | | |
| Increase in Share Capital | 500,000 | |
| Increase in Share Application Money | 49,500,000 | 50,000,000 |
| Outflow | | |
| Miscellaneous Expenditure incurred | (203,603) | |
| Net cash in financing activities – 'C' | | 49,796,397 |
| Net Increase/(Decrease) in cash or cash equivalents (A+B+C) | | 7,220,915 |
| Cash & Cash Equivalents at the commencement of the year (Opening Balance) | | - |
| Cash & Cash Equivalents at the end of the year (Closing Balance) | | 7,220,915 |

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

For and on Behalf of the Board

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

For and on Behalf of the Board

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Partner
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Director

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Place : Noida
Date : 3rd May, 2011

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