

## DIRECTORS' REPORT

To,  
The Members,

The Directors of your Company are pleased to present the 9<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS

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

Particulars	(₹ in crores)	
	Current Year 31.03.2015	Previous Year 31.03.2014
Total Income	199.98	199.94
Profit before Interest, Depreciation & Taxation	192.63	192.81
Less : Interest	71.55	76.08
Less : Depreciation	52.77	52.44
Profit/(Loss) before tax	68.31	64.29
Less: Current Tax/Deferred Tax	-	10.51
Profit after Tax	68.31	53.78

### 2. OPERATIONS

The Directors of the Company are pleased to report a Profit before Tax of ₹ 68.31 crores in the current year as against ₹ 64.29 crores in the previous year.

During the year, the average availability of the transmission system was 99.93% as against the normative annual transmission system availability factor of 98.5%. The Directors of your Company wish to report that the transmission system of the Company is being well maintained. The high availability of transmission network is being maintained through deployment of technologically advanced operational techniques. Maintenance activities are planned well in advance and an "Annual Maintenance Plan" is chalked out for every asset such that preventive maintenance takes precedence over breakdown maintenance.

The operations and maintenance of 400 kV bays (2 Main + 2 Tie) at Abdullapur and 400 kV line shunt reactors (2 Nos.), associated neutral grounding reactors installed at KWHEP (Sholtu), bus bar materials/cable, emulsifier fire, their protection system are being maintained by Power Grid Corporation of India Limited and Jaiprakash Power Ventures Limited, respectively.

### 3. DIVIDEND

As the members are aware, your Company had paid two interim dividends of ₹ 0.55 per share in December, 2014 and ₹ 0.75 per share in March, 2015 respectively during the Financial Year 2014-15. Accordingly, aggregate dividend of ₹ 1.30 per share absorbed ₹ 39 crores besides dividend distribution tax of ₹ 7.80 crores was paid during the year. Your Directors have decided not to recommend any final dividend for the year and included an item of confirmation of two Interim dividends aggregating to 13% amounting

to ₹ 46.80 crores (excluding Dividend Distribution Tax) in the Notice for ensuing Annual General Meeting.

### 4. TRANSFER TO RESERVES

The Company proposes to transfer an amount of ₹ 6.83 crores to General Reserves and an amount of ₹ 34.80 crores is proposed to be retained as "Surplus"

### 5. SHARE CAPITAL

During the year under review, there was no change in paid up capital of the Company.

### 6. DIRECTORATE AND KEY MANAGERIAL PERSONNEL

6.01 During the year under review, the following changes took place in the composition of Board of the Company:

- (a) Shri S.C. Singh resigned from the office of Director/ Whole-time Director w.e.f 30th July, 2014 due to his superannuation from Power Grid Corporation of India Ltd.

Shri Sunil Kumar Sharma resigned from the office of Director i.e. 6th September, 2014 due to personal reasons.

The Board places on record its deep appreciation for the significant contribution of Shri Sunil Kumar Sharma and Shri S.C. Singh during their respective tenures on the Board of the Company.

- (b) Shri R.B. Singh was appointed as an Additional Director w.e.f 31st July, 2014 and as Whole-time Director designated as Director (Project) w.e.f 1st August, 2014 for a period of two years or date of his superannuation whichever is earlier. His appointment/ confirmation as Director (Project) was approved by the Members at the Extra-ordinary General Meeting held on 30th December, 2014.

- (c) Shri Suresh Chandra was appointed as an Additional Director w.e.f 10th September, 2014. His appointment/confirmation as Director was approved by the Members at the Extra-ordinary General Meeting held on 30th December, 2014.

- (d) Smt. Neha Goyal was appointed as an Additional Director w.e.f 10th September, 2014 to comply with Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 in respect of appointment of Woman Director on the Board. Her appointment/confirmation as Director(Project) was approved by the Members at the Extra-ordinary General Meeting held on 30th December, 2014.

- (e) Shri Sain Ditta Mal Nagpal and Shri N.N. Misra were appointed by the Board as Additional Directors (Independent) w.e.f 26th March, 2015 for a term of three consecutive years. In accordance with the provisions of Section 149, 150 and other applicable provisions of Companies Act, 2013, the Resolutions for approval of their respective appointments as Independent

Directors have been included in the Notice for the ensuing Annual General Meeting.

- (f) Shri G. P. Singh and Shri Suren Jain would retire as Director by rotation at the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment.

6.02 During the year under report, the Board met four times. The meetings of Board of Directors were held on 14th May, 2014, 10th September, 2014, 30th December, 2014 and 26th March, 2015.

6.03 All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

6.04 Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 & Rule 8A of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has confirmed and noted Shri D.P. Goyal, Managing Director & CEO, Shri Ashish Gupta, CFO and Smt. Anita Rikhy, Addl General Manager & Company Secretary as Key Managerial Personnel of the Company.

6.05 The Nomination and Remuneration Committee of the Board of Directors consists of Four Directors namely Shri Oommen Chandy, Chairman, Shri Suren Jain, Member, Shri S.D.M. Nagpal, Member (Independent Director), Shri N.N. Misra, Member (Independent Director). The Board has, on the recommendation of the Nomination and Remuneration Committee adopted a policy for selection and appointment of Directors, Senior management and their remuneration. Brief features of the said policy are mentioned in **Annexure 1**.

6.06 The Board evaluated the performance of Board as a whole, performance of the Committees and also the performance of Independent Non-Executive Directors after taking into account information received from the Directors, covering various aspects such as board structures and composition, diversity of skills and experience, effectiveness of board process, information on effectiveness of Board processes, information on functioning, establishment and determination of responsibilities of Committees and quality of relationship between the Board and the management.

The Board also evaluated the performances of the Committees and found their performance and their functioning within the mandate of the Board besides meeting the expectations of the Board.

Independent Directors, having been appointed at the close of financial year, their performance was reviewed on the basis of certain parameters/ criteria including their knowledge about the Company's operations and vision.

## 7. DEPOSITS

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

## 8. AUDITORS AND AUDITORS' REPORT

### Statutory Auditors:

M/s. RRCA & Associates (022107N), Chartered Accountants, Statutory Auditors of the Company were appointed as Statutory Auditors in the casual vacancy caused by the resignation of M/s Awatar & Co., Chartered Accountants. They hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and have confirmed that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statements referred to in Auditors' Report are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### Secretarial Auditors:

The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith marked as **Annexure 2** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Board has appointed Ms. Latika Jetley, Practising Company Secretary as Secretarial Auditor of the Company for the financial year 2015-16.

### Cost Auditors:

For the Financial Year 2014-15, the Board of Directors of the Company had re-appointed, on the recommendation of the Audit Committee, M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) as Cost Auditors for auditing the Cost Accounts in respect of 'Generation, Transmission, Distribution and supply of Electricity', other than for Captive Generation'. The Cost Audit Report, for the Financial Year ended 31st March, 2014 has been filed within due date, with the Cost Audit Branch of the Ministry of Corporate Affairs. The Cost Audit Report for the Financial Year 2014-15 will be filed within the due date.

For the Financial Year 2015-16, the Board of Directors of the Company have on the recommendation of Audit Committee, re-appointed M/s. Sanjay Gupta & Associates, Cost accountants as Cost Auditors of the Company for auditing the Cost Records relating to 'Generation, Transmission, Distribution and supply of Electricity', other than for Captive Generation and the Resolution for ratification of their remuneration has been included in the Notice for ensuing Annual General Meeting.

## 9. EXTRACTS OF THE ANNUAL RETURN

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March 31, 2015 in prescribed Form No. MGT-9 made under provision of Section 92(3) of the Act is attached as **Annexure-3** which forms part of the Report.

## 10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Directors wish to report that your Company had neither granted any loans nor made any investments nor given any guarantee under Section 186 of Companies Act, 2013.

## 11. RISK MANAGEMENT

Pursuant to the provisions of the Companies Act, 2013, the Company has also framed a Risk Management Policy, which *inter-alia* :

- a) defines framework for identification, assessment, monitoring, mitigation and reporting of risks; and
- b) ensures that all the current and future material risk exposures are identified, assessed, quantified, appropriately mitigated, minimized and managed and critical risks which impact the achievement of Company's objectives or threatens its existence are periodically reviewed.

## 12. MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3) (i) of the Companies Act, 2013, it is reported that, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the company and date of this report.

## 13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee of the Board of Directors consists of three Directors namely Shri S.D.M. Nagpal, Chairman (Independent Director), Smt. Neha Goyal, Member, Shri N.N. Misra, Member.

The Directors wish to report that CSR Committee has approved the CSR policy of the Company including the CSR activities and the projects proposed to be undertaken by the Company.

The Directors wish to further report that in view of the fact three years have not passed since the date of commissioning of the project, there is no need to comply with the requirements of provisions contained in Section 135(2) to (5) read with Rule 3(2) of Companies (Corporate Social Responsibility Policy), 2014. However, due compliance of the provisions shall be made from next year.

Further, the brief features of CSR Policy are as under:-

- The Company would spend not less than 2% of the average Net Profits of the Company, calculated in accordance with the Section 198 of the Companies Act, 2013, made during the three immediately preceding financial years ;
- CSR activities shall be undertaken by the Company, in projects/ programs of activities as prescribed under Schedule VII of the Companies Act, 2013; and
- The Board may decide to undertake CSR activities either by itself or through a registered trust or a registered society or a Company established by the Company, or its holding or subsidiary or associate company under Section 8 of the Act or otherwise.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed

along with proper explanation relating to material departures, if any.

- b) The directors had 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 at the end of the financial year and of the profits of the company for that period
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 15. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has in terms of the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, formulated Whistle Blower Policy and Vigil Mechanism for Directors and employees under which protected disclosures can be made by a whistle blower.

## 16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Annual Report and is provided as "Annexure- 4" in this report.

## 17. AUDIT COMMITTEE

The Audit Committee of the Board of Directors consists of three Directors, namely, Shri G.P. Singh, Chairman, Shri S.D.M. Nagpal and Shri N.N. Misra, Members. Shri S.D.M. Nagpal and Shri N.N. Misra are Independent Directors.

The terms of reference of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and the Rules made there under. The Audit Committee along with such matter as may be referred by Board is responsible for the following: -

- i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii) examination of the financial statement and the auditors' report thereon;
- iv) approval or any subsequent modification of transactions of the Company with related parties;
- v) scrutiny of inter-corporate loans and investments;

- vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- vii) evaluation of internal financial controls and risk management systems; and
- viii) monitoring the end use of funds raised through public offers and related matters.

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The details of Related Party Transactions as required under Accounting Standard-18 as set out in note 2.23 to the Financial Statements. Information in prescribed Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure 5** to this Report.

All Related Party Transactions that were entered into during the Financial year were in the ordinary course of business and were on an arm's length basis.

**19. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings & outgo, pursuant to Section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules 2014 for the year ended March 31, 2015 are annexed as **Annexure-6**.

**20. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the period under review no complaint was filed under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**21.0 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which may impact the going concern status of the Company and its future operations.

**22. EMPLOYEE RELATIONS**

Your Directors wish to place on record their sincere appreciation for the excellent commitment with which the entire team of the Company worked at all sites/offices and achieved commendable progress.

**23. ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from 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, Credit Rating Agencies and other authorities for their continued co-operation and support to the Company.

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.

On behalf of the Board  
**(R. N. Nayak)**  
Chairman

Place : Gurgaon  
Date : 5th May, 2015

**Annexure-1**
**BRIEF FEATURES OF REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. Brief features of the said Policy are:

- (a) Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- (b) Nomination and Remuneration Committee shall identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions;
- (c) While selecting Independent Directors the Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise and experience required for the position;
- (d) The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The sitting fees for Independent Directors and Women Directors shall not be less than the sitting fee payable to other directors;
- (e) An Independent Director shall not be entitled to any stock option of the Company;
- (f) Other employees of the Company shall be paid remuneration as per the Company's HR policies. The break up of the pay scale and quantum of perquisites including employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policy;
- (g) The age, term of appointment and retirement shall be determined in accordance with the provisions of Companies Act, 2013 read with Rules made thereunder;
- (h) Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of an amount as may be approved by the Board of Directors within the limits prescribed under the Companies Act, 2013 and the Rules made thereunder;
- (i) Managing Director/Whole-time Director and Key Managerial Personnel shall be paid the remuneration

within the overall limit prescribed under the Companies Act, 2013 and the Rules made thereunder as recommended by the Nomination and Remuneration Committee subject to the approval of the Board;

- (j) The Company shall provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.;

Nomination and Remuneration Committee while evaluating the potential candidates, considers a variety of personal attributes, including experience, intellect, foresight, judgment and transparency and match these with the requirements set out by the Board. Broadly, the following criteria have been set for selection of Independent Directors based on:

- (i) Independence from Management.
- (ii) Other significant relationship which may cause a conflict of interest.
- (iii) Capability of taking fair decisions without being influenced.
- (iv) Independent Directors are expected to balance the decision making process of the Board by constructively challenging the Company's strategy and exercise due diligence
- (v) Independent Directors should possess the requisite business and industry expertise in the domain the Company operates in.
- (vi) Independent Directors should be competent enough to work effectively like a team member as well as leader with the other Directors of the Board and committees.
- (vii) Independent Directors should contribute constructively in the Board's deliberations.

In keeping with the provisions of the Companies Act, 2013, Nomination and Remuneration Policy considers various aspects including engagement, strategic planning and consensus building while evaluating the performance of the Independent Directors and so far as evaluation of the performance of Non-Independent and Non-Executive Directors are concerned, engagement, strategic planning, team spirit and consensus building, effective leadership and domain knowledge were considered as parameters of performance. The Nomination and Remuneration Committee considered management qualities, team work abilities, result /achievement, domain knowledge, understanding and awareness, leadership qualities, motivation/commitment/diligence, integrity /ethic/ values as also receptivity performance as performance indicators for Executive Directors.

**ANNEXURE - 2****Form MR 3  
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR  
31ST MARCH, 2015**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointments and Remuneration of Managerial Personnel) Rules 2014]

To,  
The Members  
Jaypee Powergrid Ltd.  
JA House, 63 Basant Lok  
Vasant Vihar  
New Delhi-110057.

I have conducted the Secretarial Audit of the compliance of applicable statutory provision and the adherence to good corporate practices by Jaypee Powergrid Ltd. (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion the Company has during the audit period covering the financial year ended on 31st March, 2015 (Audit Period) complied with the Statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject the reporting made here in under:

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act 2013 (the Act) and the rules made there under:  
**(Not Applicable during the Audit Period)**
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and rules made there under.  
**(Not Applicable during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) Foreign Exchange Management Act 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings.  
**(Not Applicable during the Audit period)**
- (v) The following regulations and Guidelines prescribed under the securities and Exchange Board of India Act 1992 (SEBI ACT)-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation Act, 2011, **(Not applicable to the company during the audit period)**

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992. **(Not applicable to the Company during the audit period)**
- (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) regulations, 2009 **(Not applicable to the company during the Audit Period).**
- (d) The Securities and Exchange Board of India (Employees stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 and The Securities and Exchange Board of India (Share Based Employees benefits) Regulations 2014 notified on 28th October 2014. **(Not applicable to the Company during Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008. **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation 1993 regarding the companies act and dealing with the client. **(As the Company is unlisted, SEBI guidelines are applicable on the Company. Company entered into Agreement with RTA for Dematerializing the Shares)**
- (g) The Securities and Exchange Board of India (Delisting of equity shares) regulations 2009. **(Not applicable to the company during the audit period).**
- (h) The Securities and Exchange Board of India (Buy back of securities) Regulations Act 1998. **(Not applicable to the company during the Audit Period)**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during the audit period).**
- (II) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the Audit Period)**

During the period under review, the Company has complied with provisions of the Act, Rules, Regulations guidelines, Standards etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

I have relied on the letter of Management Representation made by the Managing Director, Chief Financial Officer and Company Secretary for systems, mechanism, practices being followed in the Company for ensuring the compliances of Companies Act, 2013 and rules thereunder and other applicable Statutes, Laws and regulations as mentioned in the above letter and some of them are listed below:

1. Indian Stamp Act, 1899
2. Indian Telegraph Act, 1855
3. Labour laws and incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, Compensation etc.,
4. Electricity Act, 2003
5. Acts prescribed under Direct and Indirect taxes

6. Workmen Compensation Act, 1923 & Workmen compensation Rules, 1924
7. Forest (Conservation) Act 1980 with amendment made in 1988.
8. The Building And other Construction workers (Regulation of Employment and Conditions of Services) Act, 1996 and The Building and other Construction Workers Welfare Cess Act, 1996.
9. Payment of Bonus Act, 1965.

**I further report that** during the audit period the Company has not taken any event /action having a major bearing on the Company's affairs in pursuance of above referred Laws, rules, regulations, guidelines, standards etc,

**Latika Jetley**  
ACS 12120, C.P.3074

Place : New Delhi  
Date : 4th May, 2015

FORM NO. MGT 9  
 EXTRACT OF ANNUAL RETURN  
 as on financial year ended on 31/03/2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
 (Management & Administration ) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U40101DL2006PLC154627
ii	Registration Date	05/10/2006
iii	Name of the Company	Jaypee Powergrid Limited
iv	Category/Sub-category of the Company	Company Limited By Share/ Indian Non- Government Company
v	Address of the Registered office & contact details	JA House'63, Basant Lok, Vasant Vihar, New Delhi, Delhi-110057 India
vi	Whether listed Company	Unlisted
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055. Phone No.:+91-11-42541234, 23541234

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Transmission Of Power	N/A	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Jaiprakash Power Ventures Limited, Juit Complex, Wagnaghat, P.O- Dumehar Bani, Kandaghat-173215, Distt.- Solan (H.P)	L4010HP1994PLC015483	Holding	74%	2(87)

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	92,499,400	207,500,600	300,000,000	100	92,499,400	207,500,600	300,000,000	100	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL(A) (1)</b>	92,499,400	207,500,600	300,000,000	100	92,499,400	207,500,600	300,000,000	100	-
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	92,499,400	207,500,600	300,000,000	100	92,499,400	207,500,600	300,000,000	100	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non Institutions</b>									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	92,499,400	207,500,600	300,000,000	100	92,499,400	207,500,600	300,000,000	100	-

**(ii) SHARE HOLDING OF PROMOTERS**

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Shri Jaiprakash Gaur Jaiprakash Power Ventures Ltd.	100*			100*			-
2	Shri Manoj Gaur Jaiprakash Power Ventures Ltd.	100*			100*			-
3	Shri Sunil Kumar Sharma Jaiprakash Power Ventures Ltd.	100*			100*			-
4	Shri Suresh Kumar Jaiprakash Power Ventures Ltd.	100*			100*			-
5	Shri Suren Jain Jaiprakash Power Ventures Ltd.	100*			100*			-
6	Shri S.D. Nailwal Jaiprakash Power Ventures Ltd.	100*			100*			-
7	Jaiprakash Power Ventures Limited	221999400	74	30	221999400	74	30	-
8	Power Grid Corporation of India Limited	78000000	26	-	78000000	26	-	-
	<b>Total</b>	300000000	100	30	300000000	100	30	0

\* The beneficial interest in the shares is held by Jaiprakash Power Ventures Limited.

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl. No.	Shareholders Name	Share holding at the beginning of the Year			Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total				No. of shares	% of total shares of the company
	Jaiprakash Power Ventures Limited	222000000	74	-	-	-	-	222000000	74
	Power Grid Corporation of India Limited	78000000	26	-	-	-	-	78000000	26
	Total	300000000	100	-	-	-	-	300000000	100

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

**(v) Shareholding of Directors & KMP**

Sl. No	Name	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ Decrease in Shareholding	Reason	Shareholding at the end of the year 31.03.15	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	Shri R. N. Nayak	-	-	-	-	-	-	-
2	Shri G. P. Singh	-	-	-	-	-	-	-
3	Shri Suren Jain	-	-	-	-	-	-	-
4	Shri Oommen Chandy	-	-	-	-	-	-	-
5	Shri Vinod Sharma	-	-	-	-	-	-	-
6	Shri Suresh Chandra	-	-	-	-	-	-	-
7	Smt. Neha Goyal	-	-	-	-	-	-	-
8	Shri R. B. Singh	-	-	-	-	-	-	-
9	Shri D.P. Goyal	-	-	-	-	-	-	-
10	Shri S.D.M. Nagpal	-	-	-	-	-	-	-
11	Shri N.N. Misra	-	-	-	-	-	-	-
12	Shri S. C. Singh (Ceased to be Director on 30.07.2014)	-	-	-	-	-	-	-
13	Shri Sunil Kumar Sharma (Ceased to be Director on 6.09.2014)	-	-	-	-	-	-	-
14	Smt. Anita Rikhy	-	-	-	-	-	-	-
15	Shri Ashish Gupta	-	-	-	-	-	-	-

**V Indebtedness (including Interest outstanding / Accrued but not due for payment) for Financial Year 2014-15**

(Amount in ₹)

Sl. No	Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>A</b>	<b>Indebtedness at the beginning of the Financial Year (01.04.2014)</b>				
i)	Principal Amount :				
a)	Rupee Term Loan	5,998,618,000	-	-	5,998,618,000
b)	Working Capital	-	-	-	-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total ( i to iii)</b>	<b>5,998,618,000</b>	-	-	<b>5,998,618,000</b>
<b>B</b>	<b>Changes in Indebtedness during Financial Year 2014-2015</b>				
	<b>Addition</b>				
a)	Rupee Term Loan	-	-	-	-
b)	Working Capital	249,694,990	-	-	249,694,990
c)	Interest due but not paid	-	-	-	-
d)	Interest accrued but not due	-	-	-	-
	<b>Total - B</b>	<b>249,694,990</b>	-	-	<b>249,694,990</b>
	<b>Reduction</b>				
a)	Rupee Term Loan	572,566,000	-	-	572,566,000
b)	Working Capital	-	-	-	-
c)	Interest due but not paid	-	-	-	-
d)	Interest accrued but not due	-	-	-	-
	<b>Total - B-1</b>	<b>572,566,000</b>	-	-	<b>572,566,000</b>
	<b>Net Changes (B- B1)</b>	<b>(322,871,010)</b>	-	-	<b>(322,871,010)</b>
<b>C</b>	<b>Indebtedness at the end of the Financial Year (31.03.2015)</b>				
i)	Principal Amount :				
a)	Rupee Term Loan	5,426,052,000	-	-	5,426,052,000
b)	Working Capital	249,694,990	-	-	249,694,990
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i to iii)</b>	<b>5,675,746,990</b>	-	-	<b>5,675,746,990</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Shri Subhash Chandra Singh (Ceased to be Director on 30.7.2014)	Shri R.B. Singh (w.e.f 1/8/2014)	Shri D. P. Goyal MD & CEO	
1	Gross salary				
a)	Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.	1,428,387	2,433,600	6,630,000	10,491,987
b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	41,549	45,600	57,440	144,589
c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others (specify)				
5	Others, please specify	107,129	302,400	486,000	895,529
	<b>Total (A)</b>	<b>1,577,065</b>	<b>2,781,600</b>	<b>7,173,440</b>	<b>11,532,105</b>
	<b>Ceiling as per the Act</b>				<b>75,145,879</b>

**B. Remuneration to other directors: Independent Directors**

Sl. No	Name of the Director	Fee for attending board committee meetings	Commission	Others, please specify	Total
1	Shri N.N. Misra	-	-	-	-
2	Shri S.D.M. Nagpal	60,000	-	-	60,000
	<b>Total (1)</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>60,000</b>

**Other Non-Executive Directors**

1	Shri R.N. Nayak	-	-	-	
2	Shri G.P. Singh	120,000	-	-	120,000
3	Shri Suren Jain	160,000	-	-	160,000
4	Shri Oommen Chandy	-	-	-	-
5	Shri Vinod Sharma	20,000	-	-	20,000
6	Shri Suresh Chandra	60,000	-	-	60,000
7	Smt. Neha Goyal	80,000	-	-	80,000
	<b>Total (2)</b>	<b>440,000</b>	<b>-</b>	<b>-</b>	<b>440,000</b>
	<b>Total (1)+(2)</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>500,000</b>
	<b>Ceiling as per the Act</b>				<b>2,500,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO*	Total
1	<b>Gross Salary</b>			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.	1,900,566	11,544	1,912,110
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	76,400	-	76,400
c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	as % of profit			-
	others, specify			-
5	Others, please specify	50,256	308	50,564
	<b>Total</b>	<b>2,027,222</b>	<b>11,852</b>	<b>2,039,074</b>

\*NOTE- Joined on 31/03/2015

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**Annexure- 4**

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given below:

(A) Employed throughout the year and in receipt of remuneration aggregating ₹ 60,00,000/- or more:-

Name of Employees, Designation/Nature of Duties, Gross Remuneration (₹), Qualification, Age (in years), Total experience (in years), Date of commencement of Employment, Previous Employment, Percentage of Equity Shares held in the Company :

(i) Shri Dharam Paul Goyal, Managing Director & Chief Executive Officer, ₹ 7173440, Civil Engineer (Master of Engineering) IIT, Roorkee, 68 years, 49 years, 1st April, 2014, Whole time Director of JPVL, 0.00%.

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

**Notes:**

- Gross remuneration includes salary, house rent allowance and other perquisites like medical reimbursement, leave travel assistance, Company's contribution towards provident fund, gratuity etc.
- The Managing Director holds his office for a period of 3 years from the date of his appointment.
- The above employee is not related to any Director or Key Managerial Personnel or their respective relatives.

**Annexure – 5**

**FORM – AOC 2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**A) Details of Contracts or Arrangements or Transactions not at Arm's Length Basis - NIL**

S. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	N.A
b)	Nature of Contracts/Arrangements/ Transactions	N.A
c)	Duration of the Contracts / Arrangements/ Transactions	N.A
d)	Salient terms of the Contracts or Arrangements or Transactions including the value, if any	N.A
e)	Justification for entering into such Contracts or Arrangements or Transactions	N.A
f)	Date(s) of approval by the Board	N.A

S. No.	Particulars	Details
g)	Amount paid as advances, if any:	N.A
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	N.A

**B) Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis – Nil**

S. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	N.A
b)	Nature of Contracts/Arrangements/ Transactions	N.A
c)	Duration of the Contracts / Arrangements / Transactions	N.A
d)	Salient terms of the Contracts or Arrangements or Transactions including the value, if any:	N.A
e)	Date(s) of approval by the Board, if any:	N.A
f)	Amount paid as advances, if any:	N.A

For and on behalf of the Board

Place : Noida  
Date : 5th May, 2015

**R. N. Nayak**  
Chairman

**Annexure- 6**

As per Rule 8(3) of Companies (Accounts) Rules, 2014, following information is provided:

**(A) CONSERVATION OF ENERGY**

Every effort is being made towards conservation of energy at all levels and to develop an efficient and minimum- loss transmission network.

**(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.

Your Company has been undertaking the operations and maintenance of the transmission line, associated bays and substation equipments and has adopted state-of-the art condition monitoring techniques, such as Frequency Response Analysis for Reactors, Dynamic Contract Resistance Measurement for Circuit Breakers off line fault locator for lines etc.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earnings: - NIL  
Foreign Exchange outgo: - NIL

## INDEPENDENT AUDITOR'S 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, 2015, the Statement of Profit and Loss, and the 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 Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2015, and its profit and its 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, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.22 to the financial statements.
    - ii. There are no amounts that were due for being transferred to the Investor Education and Protection Fund by the Company.

For **RRCA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. : 022107N

**(SHIVANI BHARDWAJ)**  
Partner M. No. 503875

Place : Gurgaon  
Dated : 05th May 2015

**ANNEXURE** referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **JAYPEE POWERGRID LIMITED** on the accounts of the Company for the year ended 31st March 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (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.
- (ii) The company has no inventory and hence reporting on the same does not arise.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanation 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 purchase of inventory and fixed assets and for sales of goods & services. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) The Company has not accepted the deposits as per the directives issued by the Reserve Bank of India and the Provision of the Section 73 to 76 or any other relevant provision of the Companies Act and rules framed there under.
- (vi) According to the information and explanations given to us, cost records as prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 are being made and maintained.
- (vii) (a) As per the examination of records of the company and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax/ Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year 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, Wealth tax,

Service Tax, Customs duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute, except for the following:

Name of Statute (Nature of dues)	AY	Forum where dispute is pending	
		Commissionerate	Appellate authorities Tribunal
Income Tax	2009-10	1,15,74,422	-
	2009-10	-	64,780
	2011-12	45,20,420	
	2012-13	25,41,270	

- (c) As at the year end there are no amounts that were due for being transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and Rules made there under.
- (viii) The company does not have any accumulated losses at the end of the financial year, and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
- (x) In our opinion and according to the information and explanations given to us, where the Company has given guarantee for loans/NCDs taken by its holding company/ fellow subsidiary company from banks or financial institutions, the terms and conditions thereof are not prejudicial to the interest of the company.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xii) 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 **RRCA & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. : 022107N

**(SHIVANI BHARDWAJ)**  
Partner M No. : 503875

Place : Gurgaon  
Dated : 05th May 2015



**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Amount in ₹)

PARTICULARS	Note No.	AS AT 31/03/2015 RUPEES (Audited)	AS AT 31/03/2014 RUPEES (Audited)
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2.1	3,000,000,000	3,000,000,000
(b) Reserves and Surplus	2.2	456,701,415	241,542,079
(2) Non-current Liabilities			
(a) Long-Term Borrowings	2.3	4,834,736,000	5,426,052,000
(b) Deferred Tax Liabilities (Net)	2.4	667,614,871	414,649,538
(c) Long Term Provisions	2.5	1,464,376	1,219,091
(3) Current Liabilities			
(a) Short-term Borrowings	2.6	249,694,990	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	2.7	643,118,791	687,829,707
(d) Short-term Provisions	2.8	145,251,390	259,141,971
<b>TOTAL</b>		<b>9,998,581,833</b>	<b>10,030,434,386</b>
<b>II ASSETS</b>			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	2.9	8,482,584,303	8,885,134,012
(ii) Capital work-in-progress	2.10	-	50,681,261
(b) Deferred Tax Assets (net)		-	-
(c) Long-term Loans and advances	2.11	766,904,888	300,844,772
(2) Current Assets			
(a) Trade Receivable	2.12	442,765,711	389,585,493
(b) Inventories		-	-
(c) Cash and cash equivalents	2.13	145,087,329	240,946,205
(d) Short-term loans and advances	2.14	415,713	7,196,370
(e) Other current assets	2.15	160,823,889	156,046,273
<b>TOTAL</b>		<b>9,998,581,833</b>	<b>10,030,434,386</b>
Accounting Policies and Notes to the Accounts	1 & 2		

 for RRCA & Associates  
 Chartered Accountants  
 Registration No. 022107N

 Shivani Bhardwaj  
 Partner  
 Membership No. 503875

 Ashish Gupta  
 Chief Financial Officer

 Place : Gurgaon  
 Date : 5<sup>th</sup> May, 2015

For and on behalf of the Board

 D. P. Goyal  
 Managing Director & CEO

 Anita Rikhy  
 Addl. General Manager &  
 Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

(Amount in ₹)

S. No.	Particulars	Note No.	Current Period 31/03/2015 (Audited)	Previous Period 31/03/2014 (Audited)
I.	Revenue from operations	2.16	1,954,723,143	1,968,872,377
II.	Other Income	2.17	45,120,031	30,539,392
III.	Total Revenue (I+II)		1,999,843,174	1,999,411,769
IV.	Expenses:			
	Employee benefits expenses	2.18	27,600,829	22,143,473
	Finance Cost	2.19	715,547,548	760,838,985
	Depreciation and amortization expense	2.9	527,676,749	524,428,883
	Transmission, Administration and other Expenses	2.20	45,873,692	49,099,156
	<b>Total Expenses</b>		<b>1,316,698,818</b>	<b>1,356,510,497</b>
V.	Profit before exceptional and extraordinary items and tax (III-IV)		683,144,356	642,901,272
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		683,144,356	642,901,272
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		683,144,356	642,901,272
X.	Tax Expense:			
	(1) Current Tax (MAT)	143,333,195	-	135,232,291
	Less: MAT credit entitlement	143,333,195	-	135,232,291
	(2) Deferred Tax	252,965,333	-	105,137,848
	Less: Deferred Tax Recoverable	252,965,333	-	-
XI.	Profit/(loss) after tax from continuing operations (IX-X)		683,144,356	537,763,424
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)		683,144,356	537,763,424
XVI.	Earning per equity share:			
	(1) Basic		2.28	1.79
	(2) Diluted		2.28	1.79
	Number of shares used in computing earnings per share			
	(1) Basic		300,000,000	300,000,000
	(2) Diluted		300,000,000	300,000,000
	Accounting Policies and Notes to the Accounts	1 & 2		

 for RRCA & Associates  
 Chartered Accountants  
 Registration No. 022107N

 Shivani Bhardwaj  
 Partner  
 Membership No. 503875

 Ashish Gupta  
 Chief Financial Officer

 Place : Gurgaon  
 Date : 5<sup>th</sup> May, 2015

For and on behalf of the Board

 D. P. Goyal  
 Managing Director & CEO

 Anita Rikhy  
 Addl. General Manager &  
 Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****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 219.8 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, 2013. 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. Surcharge/rebate received/paid from/to beneficiaries is accounted on receipt/payment basis and confirmation from Power Grid Corporation of India Ltd.

**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 Depreciation**

Depreciation on Transmission Line & its elements 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.

The depreciation rates on Fixed Assets (except Transmission Line & its elements) have been revised w.e.f. 01/04/2014 in accordance with MCA Notification No. S.O.902 (E) dt. 26/03/2014. Accordingly, there has been a change in the

method of providing depreciation from fixed rates to useful life of the following assets.

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

**1.6 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.

**1.7 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 as per Provision of Employees Provident Fund and miscellaneous Provisions Act, 1952.
- [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 Preliminary Expenses**

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

**1.9 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.

**1.10 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.

**1.11 Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date of commissioning. All other borrowing costs are charged to revenue.

**1.12 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 and CERC norms that have been enacted or substantively enacted by the Balance Sheet date.

**1.13 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 assets 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 assets and from its disposal are discounted to their present value using of 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 accounts.

#### 1.14 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	AS AT	AS AT
SHARE CAPITAL	31/03/2015	31/03/2014
<b>Authorised</b>		
300,000,000 Equity Shares of ₹10 each	<b>3,000,000,000</b>	3,000,000,000
(Previous Year 300,000,000 Equity Shares of ₹ 10/- each)		
<b>Issued, Subscribed and Paid up</b>		
300,000,000 (Previous year 300,000,000) Equity Shares of ₹ 10/- each fully paid-up.	<b>3,000,000,000</b>	3,000,000,000
<b>Total</b>	<b>3,000,000,000</b>	3,000,000,000

- 1) The reconciliation of the number and amount of equity share capital as at 31st March, 2015 and 31st March, 2014 is set out below:

S. No.	Particulars	As at March 31, 2015		As at March 31, 2014	
		No. of Shares	Amount	No. of Shares	Amount
1	No. of Shares at the beginning of the year	300,000,000	3,000,000,000	300,000,000	3,000,000,000
2	Add: Share allotted during the year	-	-	-	-
3	No. of Shares at the end of the year	300,000,000	3,000,000,000	300,000,000	3,000,000,000

- 2) Details of Shareholders holding more than 5% shares

S. No.	Name of Share Holder	As at March 31, 2015		As at March 31, 2014	
		No. of Shares	%	No. of Shares	%
1	Jaiprakash Power Ventures Limited	222,000,000	74*	222,000,000	74*
2	Power Grid Corporation of India Limited	78,000,000	26	78,000,000	26
	<b>Total</b>	<b>300,000,000</b>	<b>100</b>	<b>300,000,000</b>	<b>100</b>

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

#### Further Notes:-

The Company has only one class of Equity Shares having par value of ₹ 10/- per equity share. The holders of the equity shares are entitled to receive dividend as declared from time to time as are entitled to voting rights proportionate to their share holding at the meeting of share holders.

(Amount in ₹)

NOTE 2.2	AS AT 31/03/2015	AS AT 31/03/2014
<b>RESERVES AND SURPLUS</b>		
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	40,332,257	-
Additions during the year	68,314,436	40,332,257
Closing Balance	108,646,693	40,332,257
<b>SURPLUS</b>		
As per last Balance Sheet	201,209,822	247,805,405
Add: Profit for the year	683,144,356	537,763,424
<b>Less: Appropriations</b>		
Transfer to General Reserve	68,314,436	40,332,257
Retained Earning (Adjustment of Depreciation)	7,952	-
Interim Dividends	390,000,000	360,000,000
Tax on Interim Dividend	77,977,068	61,182,000
Proposed Final Dividend	-	105,000,000
Tax on proposed Final Dividend	-	17,844,750
	348,054,722	201,209,822
	<b>456,701,415</b>	<b>241,542,079</b>

(Amount in ₹)

NOTE 2.3	AS AT	AS AT
NON CURRENT LIABILITIES -	31/03/2015	31/03/2014
<b>LONG TERM BORROWINGS - SECURED LOANS</b>		
RUPEE TERM LOANS FROM BANKS	<b>4,834,736,000</b>	5,426,052,000
	<b>4,834,736,000</b>	5,426,052,000

The Financial assistance sanctioned and 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 31/03/2015 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 31/03/2015	AS AT 31/03/2014	TERMS OF REPAYMENT
1	State Bank of India	1,900,000,000	2,100,000,000	Repayment in 44 quarterly instalments after a moratorium of 12 months from COD. Repayment has commenced from March, 2013.
2	Punjab National Bank	1,304,336,000	1,478,252,000	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	978,240,000	1,108,680,000	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	652,160,000	739,120,000	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.
		<b>4,834,736,000</b>	<b>5,426,052,000</b>	

(Amount in ₹)

NOTE 2.4 DEFERRED TAX	AS AT 31/03/2015	AS AT 31/03/2014
Deferred Tax Liabilities (A)	<b>785,546,854</b>	575,075,457
Deferred Tax Assets (B)	<b>117,931,983</b>	160,425,919
Deferred Tax Liabilities (Net) (A - B)	<b>667,614,871</b>	414,649,538

(Amount in ₹)

NOTE 2.5 LONG-TERM PROVISIONS	AS AT 31/03/2015	AS AT 31/03/2014
Provision for long term obligation of Gratuity	<b>1,151,752</b>	747,829
Provision for long term obligation of leave encashment	<b>312,624</b>	471,262
	<b>1,464,376</b>	1,219,091

**NOTE 2.9  
TANGIBLE ASSETS**

(Amount in ₹)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01/04/2014	Addition During the Year	Sale/ Transfer during the Year	As at 31/03/2015	Opening Balance	Depreciation For the Year	Depreciation Adjustment on Sale/ Transfer	As At 31/03/2015	As at 31/03/2015	As at 31/03/2014	
1	Land	6,327,352	-	-	6,327,352	-	-	-	-	6,327,352	6,327,352	
2	Building	-	56,438,994	-	56,438,994	-	4,902	-	4,902	56,434,092		
3	Tools and Plant Equipment	4,934,004	-	-	4,934,004	509,733	325,322	-	835,055	4,098,949	4,424,271	
4	Furniture & Fixtures	768,578	-	-	768,578	376,068	55,887	-	431,955	336,623	392,510	
5	Motor Vehicles	7,293,752	-	-	7,293,752	3,199,218	1,356,713	-	4,555,931	2,737,821	4,094,534	
6	Office Equipment	1,283,201	8,990	-	1,292,191	213,908	86,855	-	300,763	991,427	1,069,293	
7	EDP Machinery & Equipment	1,038,133	-	-	1,038,133	795,117	161,784	7,952	964,853	73,280	243,016	
8	Transmission Line LIFO	247,763,949	-	-	247,763,949	37,279,946	13,081,937	-	50,361,883	197,402,066	210,484,003	
9	Transmission Line	9,320,549,926	70,324,999	(1,637,990)	9,389,236,935	983,994,083	493,627,737	-	1,477,621,820	7,911,615,115	8,336,555,843	
10	E-bays (Sub-Station)	146,407,345	-	-	146,407,345	15,416,694	7,730,308	-	23,147,002	123,260,343	130,990,651	
11	Reactors	212,979,255	-	-	212,979,255	22,426,716	11,245,305	-	33,672,021	179,307,234	190,552,539	
	<b>Total</b>	<b>9,949,345,494</b>	<b>126,772,983</b>	<b>(1,637,990)</b>	<b>10,074,480,487</b>	<b>1,064,211,482</b>	<b>527,676,749</b>	<b>7,952</b>	<b>1,591,896,183</b>	<b>8,482,584,303</b>	<b>8,885,134,012</b>	
	Previous Year	9,959,843,203	21,987,946	(32,485,655)	9,949,345,494	539,782,599	524,428,883	-	1,064,211,482	8,885,134,012	9,420,060,604	

(Amount in ₹)

NOTE 2.6 SHORT -TERM BORROWINGS	AS AT 31/03/2015	AS AT 31/03/2014
Secured Loans from Bank		
Working Capital	<b>249,694,990</b>	-
	<b>249,694,990</b>	-

Further Note:- Short term loans from ICICI Bank are secured against movable assets of the company both present and future and a charge has been created ranking pari pasu with the existing charges of Term Loan.

(Amount in ₹)

NOTE 2.7 OTHER CURRENT LIABILITIES	AS AT 31/03/2015	AS AT 31/03/2014
Current Maturities of Long-Term Debt	<b>591,316,000</b>	572,566,000
Retention Money (Contractors)	<b>763,894</b>	102,840,660
Dues to Staff	<b>588,071</b>	1,839,750
Statutory Dues	<b>46,035,120</b>	1,165,786
Sundry Creditors - Goods	<b>17,044</b>	121,019
Sundry Creditors - Contractors	<b>3,892,699</b>	7,880,813
Expenses Payable	<b>505,963</b>	1,415,679
	<b>643,118,791</b>	687,829,707

(Amount in ₹)

NOTE 2.8 SHORT - TERM PROVISION	AS AT 31/03/2015	AS AT 31/03/2014
Provision for Expenses	<b>809,610</b>	511,800
Employees Benefits		
Provision for short term current obligation of Gratuity	<b>165,878</b>	37,413
Provision for short term current obligation of leave encashment	<b>558,371</b>	313,130
Dividend		
Provision for Proposed Final Dividend	-	105,000,000
Provision for Taxation		
Income Tax	<b>143,717,531</b>	135,434,878
Tax on Proposed Dividend	-	17,844,750
	<b>145,251,390</b>	259,141,971

**Note:-**

- The depreciation rates on Fixed Assets (except Transmission Line & its elements Sl. No. 8 to 11) have been revised w.e.f. 01/04/2014 in accordance with MCA Notification No. S.O.902 (E) dt. 26/03/2014. Accordingly, there has been a change in the method of providing depreciation from fixed rates to useful life of the assets. Accordingly the company has accounted for additional depreciation charge of ₹ 6,39,889/- during the year and an amount of ₹ 7,952/- has been recognized in the opening balance of Retained earnings, as remaining useful life of some asset is nil.
- Refund of ₹ 15,67,860/- towards royalty has been received from HP State Forest Department and other adjustment of TDS/TCS amounting to ₹ 70,130/- has been made during the year.

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

(Amount in ₹)					
Sl. No.	Opening Balance as at 01/04/2014	Addition/ Adjustment during the year	Capitalisation during the year	Balance as at 31/03/2015	Balance as at 31/03/2014
1	<b>BUILDINGS</b>				
	50,681,261	5,757,733	56,438,994	-	50,681,261
	50,681,261	5,757,733	56,438,994	-	50,681,261

(Amount in ₹)		
<b>NOTE 2.11 LONG-TERM LOANS AND ADVANCES</b>	As at 31/03/2015	As at 31/03/2014
Security Deposit with Govt. Depts. Public bodies	162,410	202,410
Security Deposit with others	25,000	225,000
Debt Service Reserve Account	120,000,000	50,000,000
MAT credit entitlement	393,752,145	250,417,362
Deferred Tax recoverable from beneficiaries*	252,965,333	-
	<b>766,904,888</b>	<b>300,844,772</b>

\*Adjustable from future tariff income as per the Central Electricity Regulatory Commission Tariff Regulations dt. 21st February, 2014.

(Amount in ₹)		
<b>NOTE 2.12 TRADE RECEIVABLE</b>	As at 31/03/2015	As at 31/03/2014
Transmission Tariff Receivable		
i) Outstanding for a period exceeding six months (Considered good)	68,096,710	57,968,520
ii) Other	374,669,001	331,616,973
	<b>442,765,711</b>	<b>389,585,493</b>

(Amount in ₹)		
<b>NOTE 2.13 CASH AND CASH EQUIVALENTS</b>	As at 31/03/2015	As at 31/03/2014
<b>A. Cash and Cash equivalents:</b>		
1. Balance with Schedule Banks:		
i) In Current Account	34,695,221	37,182,618
ii) Trust & Retention Account (TRA)*	2,701,722	5,051,481
iii) In Fixed Deposit with maturity up to three months (CLTD A/c)	107,268,095	198,593,932
2. Cheque, draft on hand	200,000	-
3. Cash in hand	222,291	118,174

(Amount in ₹)		
<b>NOTE 2.13 CASH AND CASH EQUIVALENTS</b>	As at 31/03/2015	As at 31/03/2014
<b>B. Other Bank Balance :</b>		
i) Trust & Retention Account :		
a) In Fixed Deposit having a maturity of less than twelve months	-	-
b) In Fixed Deposit having a maturity of more than twelve months (DSRA A/c)	120,000,000	50,000,000
<b>Total "A+B"</b>	<b>265,087,329</b>	<b>290,946,205</b>
<b>C. Amount disclosed under non current assets (refer note no. 2.11)</b>		
a) In Current Account		
b) Pledged with Govt. Deptt./Banks	-	-
b) In Debt Service Reserve Account (TRA Account)	120,000,000	50,000,000
<b>Total "C"</b>	<b>120,000,000</b>	<b>50,000,000</b>
<b>Total "A+B-C"</b>	<b>145,087,329</b>	<b>240,946,205</b>

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

(Amount in ₹)		
<b>NOTE 2.14 SHORT-TERM LOANS AND ADVANCES</b>	As at 31/03/2015	As at 31/03/2014
Imprest/Advance to staff	49,916	26,958
Capital Advance	-	6,924,963
Advance to Supplier	365,797	244,449
	<b>415,713</b>	<b>7,196,370</b>

(Amount in ₹)		
<b>NOTE 2.15 OTHER CURRENT ASSETS</b>	As at 31/03/2015	As at 31/03/2014
Prepaid Insurance	649,717	405,634
Prepaid Other	4,424,236	5,056,952
Interest Accrued on FDR	8,239,382	1,265,662
Advance Tax and TDS/TCS	129,813,106	131,552,053
Stock - Construction Material	523,221	591,745
Other Receivable	17,174,227	17,174,227
	<b>160,823,889</b>	<b>156,046,273</b>

(Amount in ₹)		
<b>NOTE 2.16 REVENUE FROM OPERATIONS</b>	As at 31/03/2015	As at 31/03/2014
Tariff Income	1,954,723,143	1,968,872,377
	<b>1,954,723,143</b>	<b>1,968,872,377</b>

**Further Notes:**

- Pursuant to "CERC (Terms and Conditions of Tariff) Regulations 2014" vide order dt. 21st February 2014, for determination of transmission tariff for the block period 2014-19, the Company has recognized transmission income in accordance with provisional tariff orders from CERC issued on 14/06/2012.
- The Transmission system incentive/disincentive for the year 2014-15 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 Availability of transmission system by National Regional Power Committee, transmission tariff (including incentive) of ₹ 482,002,904/- 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 2.17 OTHER INCOME	As at 31/03/2015	As at 31/03/2014
Interest on FDR's	22,804,763	30,526,619
Rebate on System Operation Charges	4,708	12,773
Surcharge on Transmission Tariff	22,310,560	-
	<b>45,120,031</b>	<b>30,539,392</b>

	(Amount in ₹)	
NOTE 2.18 EMPLOYEE BENEFITS EXPENSES	As at 31/03/2015	As at 31/03/2014
Salary wages allowances & Benefits	25,912,872	20,918,144
Contribution to provident and other funds	1,595,830	1,144,647
Staff welfare expenses	92,127	80,682
	<b>27,600,829</b>	<b>22,143,473</b>

**Further Notes:**

Employee remuneration and benefits includes the following for whole time Director.

	(Amount in ₹)	
Salaries	6,382,742	2,567,419
Contribution to provident and other funds	975,876	598,906
Other benefits	4,004,257	2,322,605
	<b>11,362,875</b>	<b>5,488,930</b>

	(Amount in ₹)	
NOTE 2.19 FINANCE COST	As at 31/03/2015	As at 31/03/2014
Financing Charges	2,954,701	8,048,887
Interest on Term Loan / Working Capital	712,592,847	752,790,098
	<b>715,547,548</b>	<b>760,838,985</b>

	(Amount in ₹)	
Note 2.20 TRANSMISSION, ADMINISTRATIVE AND OTHER EXPENSES	As at 31/03/2015	As at 31/03/2014
Advertisement & Publicity	10,000	28,167
Auditor's Remuneration		
- For Statutory Audit	449,440	449,440
- For Tax Audit for FY 2014-15	112,360	-
- For Tax Audit for FY 2013-14	84,270	84,270
- For Certifications/Others	123,176	58,162

**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.

Sl. No.	Particulars	2014-15		2013-14	
		Gratuity	Leave	Gratuity	Leave
1	<b>Expenses recognized in the Statement of Profit and Loss for the Period ended March 31, 2015.</b>				
1	Current Service Cost	309,015	262,790	155,701	182,481
2	Interest Cost	66,746	66,673	50,585	53,029
3	Expected return on plan assets	(24,916)	-	(23,713)	-
4	Actuarial (Gains)/Losses	301,732	41,673	(5,817)	(74,988)
5	Past Service Cost	-	-	-	-

	(Amount in ₹)	
Note 2.20 TRANSMISSION, ADMINISTRATIVE AND OTHER EXPENSES	As at 31/03/2015	As at 31/03/2014
Bank Charges	904	19,755
Books and Periodicals	10,211	6,014
Communication Expenses	223,382	292,503
Consultancy Expenses	129,032	7,143,840
Cost Audit Fee	61,798	56,180
Directors' Sitting Fee	500,000	240,000
Insurance Charges	7,668,164	7,808,778
Internal Audit Fee	224,720	235,956
Legal and Professional Expenses	729,553	728,351
License Fee	2,114,647	3,483,805
Miscellaneous Expenses	2,259,620	2,910,939
O&M Charges	-	89,057
Printing & Stationery Expenses	91,798	110,118
Reactors Maintenance Cost	3,465,116	3,465,127
Rebate on Transmission Tariff Received	20,454,904	10,624,134
Rent, Rates & Taxes	771,867	2,693,356
Secretarial Audit Fee	84,270	-
Service Tax Paid	78,042	247,073
Sub-Station Maintenance Cost	2,094,718	2,094,715
System Operation Charges	490,097	547,979
Travelling & Conveyance Expenses	1,412,739	2,211,646
ULDC/NLDC Charges	15,391	371,952
Vehicle Running & Maintenance Expenses	2,213,473	3,097,839
	<b>45,873,692</b>	<b>49,099,156</b>

**NOTE 2.21**
**EMPLOYEES BENEFIT**

- All employees are entitled to Provident Fund benefits. Amount charged to Statement of Profit and Loss for the year is ₹ 15,95,830/- (Previous Year ₹ 11,44,647/-)
- 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.

Sl. No.	Particulars	2014-15		2013-14	
		Gratuity	Leave	Gratuity	Leave
6	Settlement Cost	-	-	-	-
7	Total Expenses	652,577	371,136	176,756	160,522
<b>II</b>	<b>Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2015.</b>				
1	Present Value of defined Benefit Obligation	1,317,630	870,995	785,242	784,392
2	Fair Value of Plan Assets	156,657	-	276,846	-
3	Funded Status (Surplus/Deficit)	(1,160,973)	(870,995)	(508,396)	(784,392)
4	Net Asset (Liability) as at March 31, 2014	(1,160,973)	(870,995)	(508,396)	(784,392)
<b>III</b>	<b>Change in Obligation during the Period ended March 31, 2015.</b>				
1	Present Value of defined Benefit Obligation at the beginning of the year	785,242	784,392	595,116	623,870
2	Current Service Cost.	309,015	262,790	155,701	182,481
3	Interest Cost	66,746	66,673	50,585	53,029
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contributions	-	-	-	-
7	Actuarial (Gains) / Losses	298,377	41,673	(16,160)	(74,988)
8	Benefit Payments	(141,750)	(284,533)	-	0
9	Present Value of Defined Benefit Obligation at the end of the year.	1,317,630	870,995	785,242	784,392
<b>IV</b>	<b>Change in Assets during the Period ended March 31, 2015.</b>				
1	Plan Assets at the beginning of the year.	276,846	-	263,476	-
2	Assets acquired on amalgamation in previous year.	-	-	-	-
3	Settlements.	-	-	-	-
4	Expected return on Plan Assets.	24,916	-	23,713	-
5	Contribution by Employer.	-	-	-	-
6	Actual Benefit Paid.	(141,750)	-	-	-
7	Actuarial Gains / (Losses)	(3,355)	-	(10,343)	-
8	Plan Assets at the end of the year.	156,657	-	276,846	-
9	Actual Return on Plan Assets.	21,561	-	13,370	-

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.

NOTE 2.22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)	(Amount in ₹)	
	As at 31.03.2015	As at 31.03.2014
<b>b) Contingent Liabilities</b>		
- Claims against the Company not acknowledged as debt	2,050,400	50,000,000
- Land Compensation Cases	16,537,000	16,537,000
<b>b) Commitments</b>		
- Estimated amount of Contract remaining to be executed on Capital Account	-	29,414,396

#### NOTE 2.23

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) Company Exercising Significant Influence

- [i] Power Grid Corporation of India Limited (PGCIL)

##### c) Subsidiary of Company Exercising Significant Influence

- [i] Power System Operation Corporation Limited (POSOCO)

##### d) Fellow Subsidiary Companies:

- [i] Jaypee Infratech Ltd.
- [ii] Himalyan Expressway Ltd.
- [iii] Jaypee Sports International Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [iv] Jaypee Ganga Infrastructure Corporation Ltd.
- [v] Sangam Power Generation Company Limited.
- [vi] Prayagraj Power Generation Company Limited.
- [vii] Jaypee Agra Vikas Limited.
- [viii] Jaypee Fertilizers & Industries Limited
- [ix] Jaypee Meghalaya Power Ltd. (subsidiary of Jaiprakash Power Ventures Ltd.)
- [x] Jaypee Cement Corporation Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
- [xi] Himalyaputra Aviation Limited
- [xii] Jaypee Assam Cement Limited
- [xiii] Jaypee Healthcare Ltd. (Subsidiary of Jaypee Infratech Ltd.)

- [xiv] Jaypee Cement Cricket (India) Ltd. (Subsidiary of Jaypee Sports International Ltd.)
- [xv] Jaypee Cement Hockey (India) Ltd. (Subsidiary of Jaypee Sports International Ltd.)
- [xvi] Himachal Baspa Power Company Limited
- [xvii] Himachal Karcham Power Company Limited
- [xviii] Jaiprakash Agri Initiatives Company Limited
- e) Fellow Subsidiary Companies (JV):**
- [i] Bhilai Jaypee Cement Ltd.
- [ii] Gujarat Jaypee Cement & Infrastructure Ltd.
- [iii] Bokaro Jaypee Cement Ltd. (till 29.11.2014)
- [iv] Jaypee Arunachal Power Limited
- f) Associate Companies (JV):**
- [i] MP Jaypee Coal Limited
- [ii] MP Jaypee Coal Fields Limited
- [iii] Madhya Pradesh Jaypee Minerals Limited
- [iv] Jaypee Uttar Bharat Vikas Private Limited
- [v] Kanpur Fertilizers & Cement Ltd. (subsidiary of Jaypee Uttar Bharat Vikas Private Limited)
- g) Associate Companies:**
- [i] Jaypee Infra Ventures (A private company with unlimited liability)(JIV)
- [ii] Jaypee Development Corporation Ltd. (subsidiary of Jaypee Ventures Pvt. Ltd.)
- [iii] Andhra Cements Limited (subsidiary of JDCL)
- [iv] JIL Information Technology Ltd. (subsidiary of JIV)
- [v] Gaur & Nagi Ltd. (subsidiary of JIL Information Technology Ltd.)
- [vi] Jaypee International Logistics Company Pvt. Ltd. (subsidiary of JIV)
- [vii] Tiger Hills Holiday Resort Pvt. Ltd. (subsidiary of Jaypee Development Corporation Ltd.)
- [viii] Anvi Hotels Private Limited (subsidiary of JIV)
- [ix] RPJ Minerals Private Limited
- [x] Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Pvt. Ltd.)
- [xi] Rock Solid Cement Ltd. (subsidiary of RPJ Minerals Pvt. Ltd.)
- [xii] Sonebhadra Minerals Private Limited
- [xiii] Jaiprakash Kashmir Energy Limited
- [xiv] Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV)
- h) Key Management Personnel :**
- [i] Shri D.P. Goyal, Managing Director & CEO
- [ii] Shri Subhash Chandra Singh, Whole - time Director (till 30th July, 2014)
- [iii] Shri R. B. Singh, Whole - time Director (w.e.f. 1st August, 2014)
- II. Transactions during the period with Related Parties**
- Transactions related to parties referred in I(a) to h(c) above:**

(Amount in ₹)

S. No.	Nature of Transaction	Holding Companies	Company Exercising Significant Influence	Subsidiary of Company Exercising Significant Influence	Key Management Personnel
<b>Transactions during the period:</b>					
1	Revenue from operations	-	1,954,723,143	-	-
		(-)	(1,968,872,377)	(-)	(-)
2	Surcharge on Transmission Tariff	-	22,310,560	-	-
		(-)	(-)	(-)	(-)
3	System operation charges	-	-	490,097	-
		(-)	(-)	(547,979)	(-)
4	ULD/NLD charges	-	15,391	-	-
		(-)	(371,952)	(-)	(-)
5	Dividend (JPVL/PGCIL)	366,300,000	128,700,000	-	-
		(266,400,000)	(93,600,000)	(-)	(-)
6	Operation and maintenance (JPVL/PGCIL)	3,465,116	2,094,718	-	-
	- Reactors and Sub-station	(3,465,127)	(21,83,772)	(-)	(-)
7	Purchase of Cement (JAL)	510,400	-	-	-
		(2,663,408)	(-)	(-)	(-)
8	Managerial Remuneration	-	-	-	11,362,875
		(-)	(-)	(-)	(5,488,930)
9	Reimbursement of expenses to the Company	-	89,823	-	-
		(-)	(281,796)	(-)	(-)
<b>Balances outstanding as at the year end</b>					
10	Trade receivable	-	442,765,711	-	-
		(-)	(389,585,493)	(-)	(-)
11	Operation and maintenance (JPVL)	3,403,437	-	-	-
		(-)	(-)	(-)	(-)
12	Managerial Remuneration	-	-	-	828,000
		(-)	(-)	(-)	(360,000)



**NOTE 2.24**

Provision of ₹ 143,333,195/- (previous year - ₹ 135,232,291/-) towards Minimum Alternate Tax (MAT) as Tax payable u/s 115 JB 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 "Long-term Loans and Advances" (Note 2.5).

The Tariff norms for the block period 2014-19 notified by CERC provide that the recovery of Income Tax from the beneficiaries is to be based on the effective tax rate for a financial year which shall be based on the actual tax paid during the year. Accordingly, deferred tax liability provided for the year ended 31st March, 2015 relating to transmission tariff income is shown as recoverable from beneficiaries as the same will be recovered in the current tax in future period in terms of above said tariff norms.

**NOTE 2.25**

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

**NOTE 2.26**

Previous year figures have been re-grouped/re-arranged wherever considered necessary.

	(Amount in ₹)	
<b>NOTE 2.27</b>	As at	As at
<b>Number of shares calculated in computing earning per share as per provisions of AS-20</b>	31/03/2015	31/03/2014
Number of equity share of ₹ 10/- each (opening)	300,000,000	300,000,000
Number of Share allotted during the year	-	-
Number of equity share of ₹ 10/- each (closing)	300,000,000	300,000,000
Weighted Average number of equity shares for calculating Basic EPS	300,000,000	300,000,000
Weighted Average number of equity shares for calculating Diluted EPS	300,000,000	300,000,000

**NOTE 2.28**

All figures have been rounded off to the nearest rupee.

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

	(Amount in ₹)	
	2014-2015	2013-2014
<b>A. Cash flow from operating activities</b>		
Net Profit from Profit and Loss Statement	683,144,356	642,901,271
Add: 1) Preliminary Expenses Written off	-	-
2) Depreciation	527,676,749	524,428,883
3) Interest / Finance Cost	715,547,548	760,838,985
4) Provisions	245,285	322,495
Operating Profit before working capital changes	1,926,613,939	1,928,491,634
(Increase)/Decrease in Current Assets		
Inventories	-	-
Trade Receivables	(53,180,218)	321,955,294
Short Term Loans and Advances	6,780,657	(134,051,005)
Other Current Assets	(4,777,616)	(15,405,829)
<b>Increase/(Decrease) in Current Liabilities</b>		
Short Term Borrowings	249,694,990	(29,947,516)
Other Current Liabilities	(44,710,916)	(121,272,031)
Short Term Provisions	(113,890,581)	18,046,536
<b>Net cash inflow from operating activities</b>	<b>1,966,530,254</b>	<b>1,967,817,083</b>
----'A'		
<b>B. Cash flow from Investing activities</b>		
Investment in Fixed Assets	(125,134,993)	10,497,709
Capital Work in Progress	50,681,261	(6,523,082)
Incidental Expenditure During Construction	-	-
(Increase)/Decrease in Loan and Advances and Others	(213,094,783)	(49,795,641)
Trade Payables		
<b>Net cash used in investing activities-----'B'</b>	<b>(287,548,515)</b>	<b>(45,821,014)</b>
1 & 2		
<b>C. Cash flow from Financing activities</b>		
Inflow:		
Increase in Share Capital	-	-
Increase/(Decrease) in Term Loans	(591,316,000)	(572,566,000)
<b>Outflow:</b>		
Finance Cost	(715,547,548)	(760,838,985)
Dividend Paid	(467,977,068)	(421,182,000)
<b>Net cash in financing activities-----'C'</b>	<b>(1,774,840,616)</b>	<b>(1,754,586,985)</b>
<b>Net increase/(Decrease) in cash or cash equivalent (A+B+C)</b>	<b>(95,858,876)</b>	<b>167,409,084</b>
Cash & cash equivalent at the commencement of the year (Opening balance) 1 & 2	240,946,205	73,537,122
Cash & cash equivalent at the end of the year (closing balance)	145,087,329	240,946,205
Accounting Policies and Notes to the Accounts 1 & 2		
As per our report of even date attached to the Balance Sheet.		

for RRCA & Associates  
 Chartered Accountants  
 Registration No. 022107N

For and on behalf of the Board

Shivani Bhardwaj  
 Partner  
 Membership No. 503875

Suren Jain  
 Director  
 Managing Director & CEO

**D. P. Goyal**

Place : Gurgaon  
 Date : 5<sup>th</sup> May, 2015

Ashish Gupta  
 Chief Financial Officer  
 Addl. General Manager &  
 Company Secretary

**Anita Rikhy**

for RRCA & Associates  
 Chartered Accountants  
 Registration No. 022107N

For and on behalf of the Board

Shivani Bhardwaj  
 Partner  
 Membership No. 503875

Suren Jain  
 Director  
 Managing Director &  
 CEO

**D. P. Goyal**

Place : Gurgaon  
 Date : 5<sup>th</sup> May, 2015

Ashish Gupta  
 Chief Financial Officer  
 Addl. General Manager &  
 Company Secretary

**Anita Rikhy**