

BOARD OF DIRECTORS

Sunil Kumar Sharma
Pankaj Gaur
S. D. Nailwal
Harish K. Vaid
Naveen Kumar Singh
Bhupinder Nath Sharma

AUDITORS

R. Nagpal Associates
Chartered Accountants
B-8/14, Vasant Vihar
New Delhi - 110 057

BANKERS

Axis Bank Limited
State Bank of India

Corporate Office

Sector 128, Distt. Gautam Budh Nagar
NOIDA-201 304 (U.P)

Registered Office

'JA House', 63, Basant Lok
Vasant Vihar
New Delhi - 110 057

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DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the **Fourth Annual Report** together with the Audited Accounts of the Company for the **year ended 31st March 2012**.

PHYSICAL PROGRESS ON THE PROJECTS

Your Company is taking necessary steps to implement 2700 MW Lower Siang Hydro-Electric Project and 500 MW Hirong Hydro-electric Project in the State of Arunachal Pradesh. At present, your Company is a wholly owned subsidiary of Jaiprakash Power Ventures Limited (JPVL). JPVL alongwith its associates will ultimately hold 89% of the Equity and the balance 11% will be held by the Government of Arunachal Pradesh(GoAP).

For 2700 MW Lower Siang Hydro-Electric Project, apart from CEA concurrence for detailed Project Report, Defense clearance also in place. The works on further investigation, land acquisition, seismic data collection and forest clearance are in progress. Work for widening & upgradation of roads to dam site is being done by PWD.

For 500 MW Hirong Hydro-electric Project, the Defense Clearance has been obtained. The Company is in the process of obtaining CEA concurrence for Detailed Project Report and final EIA and EMP reports submitted to MoEF for environmental clearance. The work for additional drilling and drifting completed.

FINANCIAL PROGRESS

An amount of ₹ 206 crore has been spent on the 2700 MW Lower Siang HE Project and around ₹ 28 crore has been spent on 500 MW Hirong H.E. Project till 31st March, 2012.

SHARE CAPITAL

The present Authorised Share Capital of the Company is ₹ 2000 crore and the present Paid-up Share Capital of the Company is ₹ 200 crores.

DIRECTORATE

Shri Harish K. Vaid and Shri Sunil Kumar Sharma, Directors shall retire by rotation and, being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

An Audit Committee constituted by the Board, consisting of Shri Sunil Kumar Sharma, Chairman, Shri S.D. Nailwal and Shri Harish K. Vaid Members, to meet the requirements of Section 292A of the Companies Act, 1956.

AUDITORS

M/s R. Nagpal Associates, Chartered Accountant, Auditors shall retire at the conclusion of ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

As required under Section 224(1B) of the Companies Act, 1956, the Company has obtained a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company.

FIXED DEPOSITS

The Company has neither invited nor accepted any deposit from public during the year under report within the meaning of Section 58A of Companies Act, 1956 & Rules made there under.

PARTICULARS OF EMPLOYEES

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The information required to be disclosed as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 with regard to conservation of energy and technology absorption is not applicable as the Project is under construction stage.

Further, there had been no foreign exchange earnings. Particulars of foreign exchange outgo are given in Note 21 of Notes to the Financial Statements for the year ended 31st March, 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management and after due enquiry, confirm in respect of the audited annual accounts for the year ended 31st March, 2012:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- ii) that the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ended on 31st March, 2012;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors had prepared the Annual Accounts on a going concern basis.

NOTES ON ACCOUNTS

The observations of Auditors and Notes on Accounts are self – explanatory.

ACKNOWLEDGEMENT

Your Directors wish to thank the Government of India, Government of Arunachal Pradesh, Central Electricity Authority and other departments/ authorities of the Central and the State Governments for their valuable support & continued co-operation to the Company.

On Behalf of the Board

Sunil Kumar Sharma
Director

Pankaj Gaur
Managing Director

Place: Noida

Date : 12th May, 2012

AUDITORS' REPORT

TO THE MEMBERS OF JAYPEE ARUNACHAL POWER LIMITED.

We have audited the attached Balance Sheet of **JAYPEE ARUNACHAL POWER LIMITED** as at 31st March 2012 and the annexed Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

- (1) As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227(4-A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement referred to in this report, are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement referred to in this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of communication received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012, and

- ii) in the case of the Statement of Profit and Loss, of the Nil Profit/Loss of the Company for the year ended 31st March 2012
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31st March 2012.

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

CA R. NAGPAL
Partner
M.No. 81594

Place : Noida
Dated : 12th May 2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2012 of **JAYPEE ARUNACHAL POWER LIMITED**.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
- (c) No Fixed assets have been disposed off during the year.
- (ii) (a) The Inventory has been physically verified by the management at reasonable intervals during the period.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) We are of the opinion that during the period under observation, the Company had an internal audit system commensurate with its size & nature of its business wherein it was observed that all transactions are carried out under the personal supervision of senior officials/directors of the Company.
- (viii) As the Company is in the implementation stage, Clause (viii) of Para 4 of the Order is not applicable.
- (ix) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc with the appropriate authorities, and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Customs duty, Wealth tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute.
- (x) As the Company is in the implementation stage, Clause (x) of Para 4 of the Order is not applicable.
- (xi) As the Company has not issued any debentures nor taken any loans from banks or financial institutions, Clause (xi) of Para 4 of the Order is not applicable.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Clause (xiii) of Para 4 of the Order is not applicable.
- (xiv) In our opinion the Company is not dealing in or trading in shares, debentures or other investments. Accordingly, Clause (xiv) of Para 4 of the Order is not applicable.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions; hence Clause (xv) of Para 4 of the Order is not applicable.
- (xvi) The Company has not taken any term loans; hence Clause (xvi) of Para 4 of the Order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we find that funds raised on short term basis have been used for long term investment, to the extent of share application money received by the company pending allotment of shares.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) As the Company has not issued any debentures, Clause (xix) of Para 4 of the Order is not applicable.
- (xx) As the Company has not raised any money by way of public issues, Clause (xx) of Para 4 of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

CA R. NAGPAL
Partner
M.No. 81594

Place : Noida
Dated : 12th May 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Amount in ₹

PARTICULARS	Note No.	Figures as at the end of current reporting period, March 31, 2012	Figures as at the end of previous reporting period, March 31, 2011	
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	3	2,000,000,000	2,000,000,000	
(b) Reserves and Surplus	4	(22,543,166)	(22,543,166)	
(c) Money received against share warrants		-	-	
(2) Share application money pending allotment	5	240,000,000	-	
(3) Non Current Liabilities				
(a) Long-term borrowings		-	-	
(b) Deferred tax liabilities (Net)		-	-	
(c) Other Long-term liabilities		-	-	
(d) Long-term provisions	6	1,910,304	1,257,121	1,257,121
(4) Current Liabilities				
(a) Short-term borrowings		-	-	
(b) Trade payables	7	40,562,108	20,276,129	
(c) Other current liabilities	8	3,014,843	832,792	
(d) Short-term provisions	9	472,199	1,051,551	22,160,472
TOTAL		<u>2,263,416,288</u>	<u>2,000,874,427</u>	
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets	10			
(i) Tangible assets		41,256,430	21,031,665	
(ii) Intangible assets		-	-	
(iii) Capital work-in-progress		2,178,886,211	1,912,819,925	
(iv) Intangible assets under development		-	1,933,851,590	
(b) Non-current investments		-	-	
(c) Deferred tax assets (net)		-	-	
(d) Long-term loans and advances	11	35,094,026	35,039,126	
(e) Other non-current assets		-	-	
(2) Current assets				
(a) Current investments		-	-	
(b) Inventories	12	2,587,145	6,385,852	
(c) Trade receivables		-	-	
(d) Cash and cash equivalents	13	3,344,028	21,144,152	
(e) Short-term loans and advances	14	1,303,325	3,127,158	
(f) Other current assets	15	945,123	1,326,549	31,983,711
TOTAL		<u>2,263,416,288</u>	<u>2,000,874,427</u>	

Summary of Significant Accounting Policies 2.2
Note Nos. 1 to 25 are Integral part of the Financial Statements
As per our report of even date
For R. NAGPAL ASSOCIATES

Chartered Accountants

Firm Registration No.: 002626N

R. Nagpal

Partner

M.No.81594

Place : Noida

Date : 12.05.2012

For and on Behalf of the Board
Pankaj Gaur

Managing Director

Sunil Kumar Sharma

Director

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

Amount in ₹

PARTICULARS	Note No.	Figures for the current reporting period, March 31, 2012	Figures for the previous reporting period, March 31, 2011
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I+II)		-	-
IV. Expenses :		-	-
Cost of material consumed		-	-
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods work-in-progress and stock-in-trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	9,898,000
Other expenses		-	-
Total expenses		-	9,898,000
V. Profit before exceptional and extraordinary items and tax (III -IV)		-	(9,898,000)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V -VI)		-	(9,898,000)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		-	(9,898,000)
X. Tax Expense :		-	-
(i) Current tax		-	-
(ii) Deferred tax		-	-
XI. Profit/(loss) from continuing operations (IX-X)		-	(9,898,000)
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(loss) for the period (XI + XIV)		-	(9,898,000)
XVI. Earnings per equity share :		-	-
(i) Basic		-	(0.05)
(ii) Diluted		-	-

Summary of Significant Accounting Policies 2.2
Note Nos. 1 to 25 are Integral part of the Financial Statements
As per our report of even date

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

R. Nagpal

Partner

M.No.81594

Place : Noida

Date : 12.05.2012

For and on Behalf of the Board
Pankaj Gaur

Managing Director

Sunil Kumar Sharma

Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Note 1. Corporate Information

Jaypee Arunachal Power Limited (JAPL) was incorporated on April 23, 2008. It is a wholly owned subsidiary of Jaiprakash Power Ventures Limited implementing 2700 MW "Lower Siang HE Power Project" and 500 MW "Hirong HE Power Project" in the state of Arunachal Pradesh.

Note 2.

2.1 Basis of Preparation of Financial Statements

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

2.2 Summary of significant accounting policies

(a) Revenue Recognition:

Expenditure and Income are accounted for on accrual basis.

(b) Fixed Assets

- (i) Fixed Assets are stated at Cost of Procurement or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings and financing cost upto the date of commissioning.
- (ii) Expenditure incurred on the Project during Construction is capitalised and apportioned to various assets on commissioning of the Project.

(c) Depreciation

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

(d) Retirement & Other Employee Benefits

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

(e) Preliminary Expenditure

Preliminary Expenditure is written off in the year in which it is incurred.

(f) Inventories

- (i) Inventories of Stores & Spares are valued on the basis of weighted average cost method.
- (ii) Material-in-transit is valued at cost.

(g) Borrowing Costs

Borrowing costs attributable to the procurement/construction of fixed assets are capitalised as part

of the cost of the respective assets upto the date of commissioning. Other borrowing costs are recognized as expense during the year in which they are incurred.

(h) 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. Deferred Tax Assets and Deferred Tax Liabilities are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet Date.

(i) Provisions, Contingent Liabilities and Contingent Assets(AS-29)

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 embodying economic benefits. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements

(j) Earning Per Share

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

(k) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised immediately as income in the profit and loss account.

(l) Intangible Assets

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

(m) Amortization of Lease Hold Land

Lease hold land is being amortized over the lease period.

(n) Foreign Currency Transactions

- (i) Monetary assets and liabilities related to foreign currency transactions and outstanding at the close of the year are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet.
- (ii) Transactions in foreign currency are recorded in the books of accounts in Indian Rupees at the rate of exchange prevailing on the date of transaction.

Note 3. SHARE CAPITAL

Particulars	Figures as at the end of current reporting period, March 31, 2012		Figures as at the end of previous reporting period, March 31, 2011	
	No of shares	In ₹	No of shares	In ₹
Authorised Share Capital				
Equity share of ₹ 10 each	2,000,000,000	20,000,000,000	2,000,000,000	20,000,000,000
Issued, Subscribed and Paid-up Share Capital				
Equity share of ₹ 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
	200,000,000	2,000,000,000	200,000,000	2,000,000,000

(a) Reconciliation of the share capital outstanding at the beginning and at the end of the reporting period

Equity shares	Figures as at the end of current reporting period, March 31, 2012		Figures as at the end of previous reporting period, March 31, 2011	
	No of shares	In ₹	No of shares	In ₹
At the beginning of the year	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	200,000,000	2,000,000,000	200,000,000	2,000,000,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and is entitled to dividend.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	Figures as at the end of current reporting period, March 31, 2012		Figures as at the end of previous reporting period, March 31, 2011	
	No of shares	% holding	No of shares	% holding
Equity shares of ₹ 10 each fully paid up	200,000,000	100	200,000,000	100
Jaiprakash Power Ventures Limited- Holding Company				

(d) Out of the above issued and subscribed capital, 200,000,000 equity shares, being 100%, are held by Jaiprakash Power Ventures Ltd., the holding company.

(e) Other clauses of Share Capital are not applicable to the company.

Note 4. RESERVES AND SURPLUS

	Figures as at the end of current reporting period, March 31, 2012		Figures as at the end of previous reporting period, March 31, 2011	
		₹		₹
Surplus				
Opening Balance	(22,543,166)		(12,645,166)	
Add : Profit After Tax during the year	-		(9,898,000)	
Total	(22,543,166)		(22,543,166)	

Note 5. SHARE APPLICATION MONEY PENDING ALLOTMENT

- During the year ended March 31, 2012, the Company has received ₹ 240,000,000 from JPVL, the Holding Company, as share application money towards subscription of 24,000,000 no. of Equity Shares at a par value of ₹ 10 per share.
- The Company will issue the existing class of Equity shares at a par value of ₹ 10 each out of the share application money pending for allotment.
- Accordingly, 24,000,000 no. of shares will be issued to Jaiprakash Power Ventures Ltd., the company's holding company, which has subscribed for the entire amount of issue.
- No amount out of the said share application money is due for refund.
- The company has sufficient Authorised Share Capital for allotment of shares to its holding company.

Note 6. LONG TERM PROVISIONS

PARTICULARS	Amount in ₹	
	Figures as at the end of current reporting period, March 31, 2012	Figures as at the end of previous reporting period, March 31, 2011
Provision for employee benefits		
Gratuity	1,244,128	499,547
Leave Encashment	666,176	757,574
Total	1,910,304	1,257,121

Note 7. TRADE PAYABLES

Trade payables (Refer Note 18 for disclosure regarding dues to micro and small enterprises)	40,562,108	20,276,129
Total	40,562,108	20,276,129

Note 8. OTHER CURRENT LIABILITIES

TDS payable	3,014,843	832,792
Total	3,014,843	832,792

Note 9. SHORT TERM PROVISIONS

Provision for employee benefits		
Gratuity	12,825	353,460
Leave Encashment	271,618	310,091
Providend Fund	187,756	339,657
	472,199	1,003,208
Other Provisions		
Wealth Tax	-	45,716
Income Tax	-	2,627
	-	48,343
Total	472,199	1,051,551

NOTE 10. FIXED ASSETS
(i) Tangible assets

Amount in ₹

Sr. No.	Description	Gross carrying amount			Accumulated depreciation / impairment				Net carrying amount		
		As at March 31, 2011	Additions / adjustments during the year	Deletions during the year	As at March 31, 2012	As at March 31, 2011	Charged during the year	Deductions during the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
1	Land	225,957	-	-	225,957	12,613	10,118	-	22,731	203,226	213,344
2	Building	1,297,154	14,914,025	-	16,211,179	26,357	26,704	-	53,061	16,158,118	1,270,797
3	Plant & Equipment	2,757,884	153,000	-	2,910,884	181,304	222,935	-	404,239	2,506,645	2,576,580
4	Furniture & Fixtures	243,853	130,103	-	373,956	19,364	23,464	-	42,828	331,128	224,489
5	Vehicles	10,000,310	-	-	10,000,310	1,325,262	947,013	-	2,272,275	7,728,035	8,675,048
6	Office Equipments	5,086,076	6,175,743	-	11,261,819	413,246	318,443	-	731,689	10,530,130	4,672,830
7	Computers	1,075,537	555,368	-	1,630,905	206,422	238,729	-	445,151	1,185,754	869,115
8	Boats	2,556,890	85,000	-	2,641,890	27,428	1,068	-	28,496	2,613,394	2,529,462
	Total	23,243,661	22,013,239	-	45,256,900	2,211,996	1,788,474	-	4,000,470	41,256,430	21,031,665
	Previous Year	14,177,673	9,109,752	43,764	23,243,661	832,205	1,381,146	1,355	2,211,996	21,031,665	
	(ii) Intangible assets	-	-	-	-	-	-	-	-	-	-

NOTE 10 (iii). CAPITAL WORK-IN-PROGRESS AND INCIDENTAL EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION

Amount in ₹

Sr. No.	Particulars	Figures for the current reporting period, March 31, 2012	Figures for the previous reporting period, March 31, 2011
A.	Direct cost of project under construction		
	Opening Balance	13,053,318	3,686,684
	Add: Addition during the year	1,860,707	9,366,634
	Less: Capitalisation during the year	14,914,025	-
	Balance Capital Work-in-Progress (A)	-	13,053,318
B.	Incidental Expenditure During Construction		
	Opening Balance	1,899,766,607	1,627,604,454
	Add: Addition during the year		
	Employee Benefit Expense		
	Staff Welfare	6,398,925	7,076,044
	Car Hire	1,659,935	1,843,852
	Provident Fund, ESI & Admin Charges	1,947,830	1,683,240
	Salary, Wages, Bonus and other benefits	56,544,922	45,926,628
	Security & Medical charges	2,517,235	-
	Depreciation and amortization expenses	1,788,474	1,381,146
	Other Expenses		
	Power & Electricity Charges	464,758	2,124,092
	Rent	6,247,025	5,297,034
	Repair & Maintenance (Plant & Machinery)	695,825	901,355
	Insurance charges	2,114,073	535,930
	Rates & Taxes	963,969	1,140,696
	Miscellaneous Exp	6,340,326	22,900,744
	Repair & Maintenance Camp	23,486,603	22,070,057
	Consultancy Charge	104,965,450	90,199,050
	Freight & Octroi Charges	4,048,430	4,313,532
	Environmental Management & Monitoring Cost	1,105,000	1,495,970
	Rural Development Expenses	20,636,912	16,530,627
	Survey Works Expenses	14,037,044	24,080,203
	Hire Charges	334,273	863,879
	Network Expense	897,915	615,497
	Printing, Stationery & Computer Expenses	718,393	618,024
	Telephone Expenses	616,679	530,030
	Travelling Expenses	9,702,558	7,260,705
	Vehicle Running & Maintenance	10,788,338	12,691,456
	Auditor Remuneration (Refer Note 20)	112,360	110,300
	Less: Interest Earned on Deposit	(13,648)	(27,938)
	Amount Carried Forward (A+B)	2,178,886,211	1,899,766,607

Note 11. LONG TERM LOANS AND ADVANCES

Amount in ₹

PARTICULARS	Figures as at the end of current reporting period, March 31, 2012	Figures as at the end of previous reporting period, March 31, 2011
Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	1,494,026	1,439,126
Other Loans & Advances		
Secured, considered good		
Unsecured, considered good:		
Advance to Govt. of Arunachal Pradesh	33,600,000	33,600,000
TOTAL	35,094,026	35,039,126
Note 12. INVENTORIES		
Stores and Spares (at weighted average cost)	2,587,145	2,699,891
Material in transit (at cost)	-	3,685,961
TOTAL	2,587,145	6,385,852

Note 13. CASH AND CASH EQUIVALENTS

A) Balance with Banks		
In Current accounts	2,582,509	18,254,688
In Fixed Deposits having maturity of more than 12 months		
- Pledged with Government Department	100,000	100,000
In Fixed Deposits having maturity of not more than 12 months	-	1,760,000
(A)	2,682,509	20,114,688
B) Cheques in hand	(B)	95,529
C) Cash in hand	(C)	565,990
TOTAL (A+B+C)	3,344,028	21,144,152

Note 14. SHORT TERM LOANS AND ADVANCES

Loans and Advances to Others		
Unsecured, considered good		
Staff Imprest & Advance	74,590	633,526
Imprest - Others	1,063,766	549,083
Advances recoverable in cash or in kind or for value to be received	164,969	1,944,549
TOTAL	1,303,325	3,127,158

Note 15. OTHER CURRENT ASSETS

Interest accrued on FDR with Banks	30,287	38,441
Prepaid Expenses	914,836	1,288,108
TOTAL	945,123	1,326,549

Note 16. Related Party Disclosures as required in terms of "Accounting Standard[AS] – 18" are given below:

Relationships:

(a) Holding Company

- 1 Jaiprakash Power Ventures Limited
- 2 Jaiprakash Associates Limited , Holding Company of Jaiprakash Power Ventures Limited- Ultimate Holding Company

(b) Fellow Subsidiary Companies : -

- 1 Jaypee Powergrid Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 2 SangamPowerGeneration Company Limited(subsidiary of Jaiprakash Power Ventures Limited)
- 3 Prayagraj Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 4 Jaypee Meghalaya Power Limited(Joint Venture subsidiary of Jaiprakash Power Ventures Limited)
- 5 Jaypee Ganga Infrastructure Corporation Limited
- 6 Himalyan Expressway Limited
- 7 Jaypee Infratech Limited
- 8 Jaypee Sports International Limited
- 9 Bhilai Jaypee Cement Limited
- 10 Bokaro Jaypee Cement Limited
- 11 Gujarat Jaypee Cement and Infrastructure Limited
- 12 Jaypee Agra Vikas Limited
- 13 Jaypee Fertilizers & Industries Limited
- 14 Jaypee Cement Corporation Limited
- 15 Jaypee Assam Cement Limited (w.e.f 30.09.2011)
- 16 Himalayaputra Aviation Limited (w.e.f 23.07.2011)

(c) Associate Companies:

- 1 Jaypee Infra Ventures (A Private Company with unlimited liability)-(The erstwhile Jaypee Ventures Private Limited merged in the Company w.e.f 01.4.2011, the appointed date).
- 2 Jaypee Development Corporation Limited - Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability).

- 3 JIL Information Technology Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability).
- 4 Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- 5 Indesign Enterprises Private Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- 6 GM Global Mineral Mining Private Limited - Subsidiary of Indesign Enterprises Pvt. Ltd.
- 7 Jaiprakash Agri Initiatives Company Limited - Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- 8 Jaypee International Logistics Company Private Limited - Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- 9 Tiger Hills Holiday Resort Private Limited - Subsidiary of Jaypee Development Corporation Limited.
- 10 Anvi Hotels Private Limited -Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- 11 RPJ Minerals Private Limited
- 12 Sonebhadra Minerals Private Limited
- 13 Sarveshwari Stone Products Private Limited - Subsidiary of RPJ Minerals Private Limited.
- 14 Rock Solid Cement Limited -Subsidiary of RPJ Minerals Private Limited
- 15 MP Jaypee Coal Limited
- 16 MP Jaypee Coal Fields Limited
- 17 Madhya Pradesh Jaypee Minerals Limited
- 18 Jaiprakash Kashmir Energy Limited
- 19 Jaypee Uttar Bharat Vikas Private Limited.
- 20 Kanpur Fertilizers & Cement Limited -Subsidiary of Jaypee Uttar Bharat Vikas Private Limited.
- 21 Andhra Cements Limited w.e.f 10.02.2012 -Subsidiary of Jaypee Development Corporation Limited.

(d) Key Management Personnel:

Shri Pankaj Gaur Managing Director

The following transactions were carried out with Related Parties in the ordinary course of business:

(Amount in ₹)

Description	Holding Company		Fellow Subsidiary Companies		Associate Companies		Key Management Personnel:	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Transactions during the year ended								
Share Capital/Share application Money received	240,000,000	375,000,000	-	-	-	-	-	-
Expenditure								
For services	-	73,214	-	-	-	166,717	-	-
Advertisement Expenses	-	-	-	-	6,968	-	-	-
Consultancy Charges	-	-	-	-	104,785,000	88,240,000	-	-
Balance as at end of the year								
Amount Payable	6,045,435	3,466,172	-	-	24,817,500	8,381	-	-

Note 17.
(a) Provident Fund-Defined Contribution Plan:

All employees are entitled to Provident Fund benefits. Amounts debited to Capital works in progress is ₹ 17,38,130/-(Previous year ₹ 15,06,388) during the Period.

(b) Gratuity

The Liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is done on basis of Projected Unit Credit Method as per AS 15 (revised). Jaiprakash Associates Limited (JAL) the Company's ultimate holding Company has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employee Gratuity Fund Trust vide Trust Deed dated 30th March, 2009 for JAL and its subsidiaries and appointed SBI Life Insurance Co.Ltd for management of the Trust Fund for the benefits of Employees. As subsidiary of JAL, the Company is participating in the Trust by contributing its liability accrued upto the close of each financial year to the Trust Fund.

(c) Leave Encashment - Defined Benefit Plans -

The liability for Leave Encashment is provided as per actuarial valuation made at the end of each financial year.

(Amount in ₹)

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2012		Figures as the end of previous reporting period, March 31, 2011	
		Funded	Non-funded	Funded	Non-funded
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	Expenses recognized in the Statement of Incidental Expenditure During Project Implementation, Pending Allocation for the Year ended March 31, 2012.				
	1. Current Service Cost.	520,813	367,411	638,996	647,179
	2. Interest Cost	101,644	90,752	46,788	40,193
	3. Expected Return on Plan Assets	(31,881)	-	(1,273)	-
	4. Employee Contribution	-	-	-	-
	5. Actuarial (Gains)/Losses	(186,630)	(588,034)	(60,256)	(122,116)
	6. Past Service Cost	-	-	-	-
	7. Settlement Cost	-	-	-	-
	8. Total Expenses	403,946	(129,871)	624,255	565,256
II	Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2012.				
	1. Present Value of Defined Benefit Obligation.	1,424,056	937,794	1,195,814	1,067,665
	2. Fair Value of Plan Assets	167,103	-	342,807	-
	3. Funded Status [Surplus(Deficit)]	(1,256,953)	(937,794)	(853,007)	(1,067,665)
	4. Net Asset/(Liability) as at March 31, 2012.	(1,256,953)	(937,794)	(853,007)	(1,067,665)
III	Change in Obligation during the Year ended March 31, 2012.				
	1. Present value of Defined Benefit Obligation at the beginning of the year.	1,195,814	1,067,665	584,848	502,409
	2. Current Service Cost.	520,813	367,411	638,996	647,179
	3. Interest Cost	101,644	90,752	46,788	40,193
	4. Settlement Cost	-	-	-	-
	5. Past Service Cost.	-	-	-	-
	6. Employee Contributions	-	-	-	-
	7. Actuarial (Gains)/Losses	(193,334)	(588,034)	(59,887)	(122,116)
	8. Benefit Payments	(200,881)	-	(14,931)	-
	9. Present Value of Defined Benefit Obligation at the end of the year.	1,424,056	937,794	1,195,814	1,067,665

Sl. No.	Particulars	Figures as at the end of current reporting period, March 31, 2012		Figures as the end of previous reporting period, March 31, 2011	
		Funded	Non-funded	Funded	Non-funded
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
IV	Change in Assets during the Year ended March 31, 2012.				
	1. Plan Assets at the beginning of the year.	342,807	-	14,139	-
	2. Assets acquired on amalgamation in previous year.	-	-	-	-
	3. Settlements	-	-	-	-
	4. Expected return on Plan Assets	31,881	-	1,273	-
	5. Contribution by Employer	-	-	341,957	-
	6. Actual Benefit Paid	(200,881)	-	(14,931)	-
	7. Actuarial Gains/ (Losses)	(6,704)	-	369	-
	8. Plan Assets at the end of the year.	167,103	-	342,807	-
	9. Actual Return on Plan Assets	25,177	-	1,642	-
V	Estimated amount of contribution in the immediate next year	164,890	322,893	651,880	473,847
VI	Major categories of plan assets (as percentage of total plan assets)				
	1. Funds Managed by Insurer	100%	-	100%	-
VII	Actuarial Assumptions:				
	1. Discount Rate	8.50%	8.50%	8.00%	8.00%
	2. Mortality Table	LIC [1994-96]		LIC [1994-96]	
	3. Turnover Rate:				
	Up to 30 Years	3%	3%	3%	3%
	From 31 to 44 years	2%	2%	2%	2%
	Above 44 years	1%	1%	1%	1%
	4. Future Salary Increase	8.50%	8.50%	8.00%	8.00%
	5. Expected Rate of return on plan assets	9.30%	-	9.00%	-
	Particulars	31.03.2012	31.03.2011	31.03.2010	31.03.2009
	Gratuity- Funded				
	a) Present Value of Defined benefit obligation	1,424,056	1,195,814	584,848	19,851
	b) Fair value of Plan Assets	167,103	342,807	14,139	-
	c) Surplus/(Deficit) in the plan	(1,256,953)	(853,007)	(570,709)	(19,851)
	d) Experience gain/(loss) adjustments:				
	On Plan PBO	187,355	59,887	(160,579)	-
	On Plan Assets	(5,676)	369	-	-
	Leave Encashment -Non Funded				
	a) Present Value of Defined benefit obligation	937,794	1,067,665	502,409	41,466
	b) Fair value of Plan Assets				
	c) Surplus/(Deficit) in the plan	(937,794)	(1,067,665)	(502,409)	(41,466)
	d) Experience gain/(loss) adjustments:				
	On Plan PBO	582,695	122,116	(81,180)	-
	On Plan Assets	-	-	-	-

Note 18 . Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Ministry of Corporate Affairs (As certified by the Management)

(Amount in ₹)

Sl No.	Particulars	Figures as at the end of current reporting period, March 31, 2012	Figures as the end of previous reporting period, March 31, 2011
a)	The principal amount and interest due thereon remaining unpaid to any supplier - Principal Amount - Interest Amount	Nil Nil	Nil Nil
b)	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

Note 19. Earnings Per Share is computed in accordance with Accounting Standard – 20 issued by the Institute of Chartered Accountants of India.

(in ₹)

PARTICULARS		Figures for the current reporting period, March 31, 2012	Figures for the previous reporting period, March 31, 2011
[a]	Net Profit/(Loss) for Basic Earnings Per Share as per Profit & Loss Account	-	(9,898,000)
[b]	No. of Equity Shares	200,000,000	200,000,000
[c]	Basic Earnings Per Share	-	(0.05)
[d]	Face Value Per Share	10	10
Note 20. Payment to Auditors			
- As Audit Fees		112,360	110,300
Note 21. Expenditure in foreign currency			
- Capital Equipment		1,575,480	2,964,896

Note 22. Contingent Liabilities not provided for in the books- NIL (Previous year L/C of ₹ 1,575,480/-margin against the above ₹ 1,760,000/-)

Note 23. In the opinion of Board of Directors, the "Current & Non Current Assets, Loans & Advances and Inventories" have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet

Note 24. Previous year figures have been regrouped wherever necessary to conform to revised Schedule VI requirements .

Note 25. All the figures have been rounded off to nearest rupee.

For and on Behalf of the Board

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

R. Nagpal
Partner
M.No.81594

Pankaj Gaur
Managing Director

Sunil Kumar Sharma
Director

Place : Noida
Date : 12.05.2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Amount in ₹

PARTICULARS	Figures for the current reporting period, March 31, 2012	Figures for the previous reporting period, March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and prior period items	-	(9,898,000)
Adjustment for:		
Depreciation and amortisation	-	9,898,000
Operating profit before working capital changes	-	-
Adjustment for:		
Increase/ (Decrease) in Current and Non-Current liabilities	22,541,861	(49,618,020)
(Increase)/ Decrease in Loans and Advances, Inventory and Other Current Assets	5,949,066	(9,238,288)
Cash from operations	28,490,927	(58,856,308)
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities	28,490,927	(58,856,308)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets (including capital work in progress)	(286,291,051)	(289,314,983)
Proceeds from sale of fixed assets	-	100,000
Net cash used in investing activities	(286,291,051)	(289,214,983)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital/Proceeds from receipt of Share application Money pending for allotment	240,000,000	375,000,000
Share Issue Expenditure	-	(9,898,000)
Net cash flow from financing activities	240,000,000	365,102,000
Net (decrease)/ Increase in cash and cash equivalents (A+B+C)	(17,800,124)	17,030,709
Cash and cash equivalents at the beginning of the year	21,144,152	4,113,443
Cash and cash equivalents at the end of the year	3,344,028	21,144,152
Net (decrease)/ Increase in cash and cash equivalents	(17,800,124)	17,030,709
Note		
1 Cash and cash equivalents (as per Note 13 to the Financial Statements)	3,344,028	21,144,152

As per our report of even date

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

For and on Behalf of the Board
R. Nagpal
 Partner
 M.No.81594

Pankaj Gaur
 Managing Director

Sunil Kumar Sharma
 Director

 Place : Noida
 Date : 12.05.2012