

DASS GUPTA & ASSOCIATES
C H A R T E R E D A C C O U N T A N T S

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
M/s Prayagraj Power Generation Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Prayagraj Power Generation Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 of 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. 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.

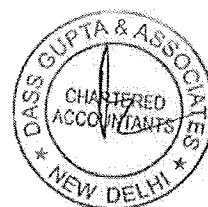
Opinion

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 31st March, 2016, and loss and its Cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements


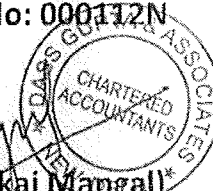
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, as may be applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the Statement of Profit and Loss, and the 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - (h) 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 does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No: 000112N



(CA Parkaj Mangal)

(Partner)

(Membership No. 097890)

Place: Noida
Date : 26.05.2016

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph - 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.)

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

(i) (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The management during the year has physically verified major fixed assets and no material discrepancy were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Inventory has been physically verified by the management during the year, according to information and explanation given to us, no material discrepancies were noticed on physical verification of inventory as compared to book records.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has not granted any loan, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not required.

(iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments during the year, Accordingly, paragraph 3(iv) of the Order is not applicable.



- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, company has not accepted any deposits from the public.
- (vi) According to the information and explanations given to us, rules made by Central Government for maintenance of Cost Records under section 148(1) of the Companies Act, 2013 are not applicable to the Company for the year under consideration.
- (vii) a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, and any other material statutory dues applicable to it. There were no arrears of such dues at the year end which have remain outstanding for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and as per the books and records examined by us, the particulars of dues in respect of Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty and value added tax, which has not been deposited on account of any dispute is as under:

| Name of the Statute | Nature of Dues | Period for which the amount relates | Amount (In Rs.) | Forum where dispute is pending |
|--|----------------|-------------------------------------|-----------------|--------------------------------|
| Uttar Pradesh Tax on Entry of Goods into local areas (Amendment Act, 2008) | Entry Tax | 2011-16 | 14,70,16,780/-* | Hon'ble Supreme Court |
| Income Tax Act, 1961 | Income Tax | A.Y. 2012-13 | 3,72,58,120/- | CIT (Appeals), Lucknow |
| | | A.Y. 2013-14 | 5,49,59,310/- | |

* Out of this, Rs. 14,31,31,234/- has been deposited and Bank Guarantee given for Rs. 38,85,546/- under protest against this liability.



(viii) Based on the audit procedures and on the the information and explanations given to us and as per the books and records examined by us, we are of the opinion that the company has defaulted in repayment of dues of bank and financial institution as per following details:-

| S.No. | Name of Lenders | Amount of default as on Balance Sheet Date (Rs.) | Period of Default | Remarks |
|-----------------------------------|---|---|--------------------------|---------|
| From Banks : | | | | |
| 1 | Indian Overseas Bank | 157,023,676 | 31.01.2016 to 31.03.2016 | -- |
| 2 | Corporation Bank | 112,944,909 | 31.01.2016 to 31.03.2016 | -- |
| 3 | Oriental Bank of Commerce | 91,189,429 | 31.01.2016 to 31.03.2016 | -- |
| 4 | Punjab National Bank | 214,090,737 | 31.01.2016 to 31.03.2016 | -- |
| 5 | State Bank of India | 933,267,010 | 31.01.2016 to 31.03.2016 | -- |
| 6 | State Bank of Hyderabad | 74,486,712 | 31.01.2016 to 31.03.2016 | -- |
| 7 | Canara Bank | 103,547,047 | 31.01.2016 to 31.03.2016 | -- |
| 8 | State Bank Of Bikaner & Jaipur | 77,227,213 | 31.01.2016 to 31.03.2016 | -- |
| 9 | Indian Bank | 73,014,317 | 31.01.2016 to 31.03.2016 | -- |
| 10 | Bank Of Baroda | 107,993,040 | 31.01.2016 to 31.03.2016 | -- |
| 11 | Union Bank Of India | 142,914,987 | 31.01.2016 to 31.03.2016 | -- |
| 12 | United Bank Of India | 62,935,110 | 31.01.2016 to 31.03.2016 | -- |
| 13 | UCO Bank | 92,479,659 | 31.01.2016 to 31.03.2016 | -- |
| 14 | Andhra Bank | 107,222,800 | 31.01.2016 to 31.03.2016 | -- |
| 15 | Bank Of India | 178,768,801 | 31.01.2016 to 31.03.2016 | -- |
| 16 | IDBI Bank Ltd | 145,005,610 | 31.01.2016 to 31.03.2016 | -- |
| From Financial Institution | | | | |
| 1 | L&T Infrastructure Finance Co.Ltd | 101,039,638 | 31.01.2016 to 31.03.2016 | -- |
| 2 | India Infrastructure Finance Co. (UK) Ltd | 91,342,676 | 31.01.2016 to 31.03.2016 | -- |
| 3 | PTC India Financial Services Ltd. | 38,028,678 | 31.01.2016 to 31.03.2016 | -- |
| From Others | | | | |
| 1 | Life Insurance Corporation Of India | 182,046,906 | 31.01.2016 to 31.03.2016 | -- |
| TOTAL | | 3,086,568,955 | | |

(ix) The Company has raised Term loans from various Banks and financial institution during the year. Based on the audit procedures and on the information and explanations given by the management, the proceeds of terms loans so raised are applied for the purposes for which they are raised.



- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration during the year under concern, Accordingly paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of shares which are in compliance with section 42 of the Companies Act'2013.
In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has used the amount raised for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) Based on the examination of the books of account and related records and according to the information and explanations given to us, company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



**Annexure - B to the Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section
143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Prayagraj Power Generation Company Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

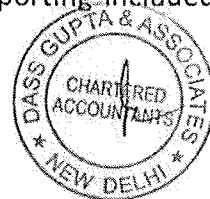
Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included



obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

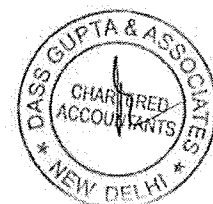
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

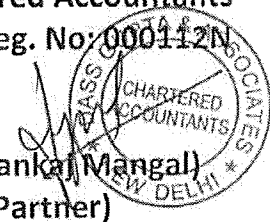
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over



financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Dass Gupta & Associates**
Chartered Accountants
Firm Reg. No. 000112N



(CA Pankaj Mangal)
(Partner)

(Membership No. 097890)

Place: Noida
Date : 26.05.2016

PRAYAGRAJ POWER GENERATION COMPANY LIMITED

BALANCE SHEET AS AT 31.03.2016

AND

STATEMENT OF PROFIT & LOSS

For the period

01.04.2015 to 31.03.2016

Registered Office : Sector - 128, Noida - 201304,

Uttar Pradesh (India)

PRAYAGRAJ POWER GENERATION COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rs.)

| PARTICULARS | Note No. | As at 31.03.16 | | As at 31.03.15 | |
|--|----------|----------------|------------------------|-----------------|------------------------|
| | | | | | |
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' Funds | | | | | |
| (a) Share Capital | 2 | 31,931,898,000 | | 31,231,898,000 | |
| (b) Reserves and Surplus | 3 | (204,563,204) | | (645,586) | |
| (c) Money received against Share Warrants | | - | 31,727,334,796 | - | 31,231,252,414 |
| (2) Share application money pending allotment | | - | - | - | - |
| (3) Non Current Liabilities | | | | | |
| (a) Long-term borrowings | 4 | 99,189,112,376 | | 80,961,900,000 | |
| (b) Deferred tax liabilities (Net) | | - | | - | |
| (c) Other Long-term liabilities | 5 | 3,413,226,640 | | 3,167,960,844 | |
| (d) Long-term provisions | 6 | 4,748,063 | 102,607,087,079 | 3,788,247 | 84,133,649,091 |
| (4) Current Liabilities | | | | | |
| (a) Short-term borrowings | 7 | 2,385,377,756 | | 5,000,000,000 | |
| (b) Trade payables | | - | | - | |
| (c) Other current liabilities | 8 | 8,430,807,812 | | 5,369,323,440 | |
| (d) Short-term provisions | 9 | 508,022 | 10,816,693,590 | 625,238 | 10,369,948,678 |
| TOTAL | | | 145,151,115,465 | | 125,734,850,182 |
| II. ASSETS | | | | | |
| (1) Non-current assets | | | | | |
| (a) Fixed assets | | | | | |
| (i) Tangible assets | 10 | 65,122,559,948 | | 1,289,093,707 | |
| (ii) Intangible assets | | - | | - | |
| (iii) Capital work-in-progress | 11 | 75,444,226,717 | | 120,000,805,989 | |
| (iv) Intangible assets under development | | - | | - | |
| (b) Non-current investments | | - | | - | |
| (c) Long-term loans and advances | 12 | - | | 498,150,101 | |
| (d) Other non-current assets | 13 | 62,615,540 | 140,629,402,205 | 141,080,990 | 121,929,130,786 |
| (2) Current assets | | | | | |
| (a) Current investments | | - | | - | |
| (b) Inventories | 14 | 290,629,593 | | 188,511,580 | |
| (c) Trade receivables | | 1,010,150,430 | | - | |
| (d) Cash and Bank balances | 15 | 488,065,222 | | 1,727,551,848 | |
| (e) Short-term loans and advances | 16 | 2,644,990,859 | | 1,843,970,430 | |
| (f) Other current assets | 17 | 87,877,156 | 4,521,713,260 | 45,685,537 | 3,805,719,396 |
| TOTAL | | | 145,151,115,465 | | 125,734,850,182 |

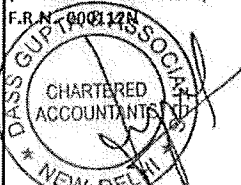
Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statements

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

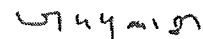
For Dass Gupta & Associates

(Chartered Accountants)


F.R.N. 000112N



(CA Pankaj Mangal)
Partner
M.No. 097890

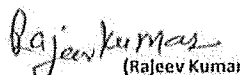
For and on behalf of the board

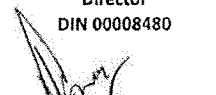


(Jalprakash Gaur)
Executive Chairman
DIN 00008085


(Suren Jain)
Director
DIN 00011026


(Manoj Gaur)
Director
DIN 00008480


(Rajeev Kumar)
Additional General Manager &
Company Secretary


(Ramesh Chand Sharma)
CFO

Place: Noida
Dated: 26.05.2016

PRAYAGRAJ POWER GENERATION COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016

(Amount in Rs.)

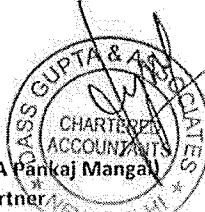
| Particulars | Note No. | For the Year ended on 31.03.2016 | For the Year ended on 31.03.2015 |
|---|----------|-------------------------------------|-------------------------------------|
| 1. Revenue from Operations | 18 | 584,492,814 | - |
| 2. Other Income | 19 | 2,562,000 | - |
| 3. Total Revenue (1+2) | | 587,054,814 | - |
| 4. Expenses : | | | |
| Cost of material consumed | 20 | 179,970,763 | - |
| Employee benefits expenses | 21 | 26,490,566 | - |
| Finance costs | 22 | 386,492,503 | - |
| Depreciation and amortization expenses | 10 | 156,419,871 | - |
| Other expenses | 23 | 41,598,729 | - |
| Total Expenses | | 790,972,432 | - |
| 5. Profit before exceptional and extraordinary items and tax (3-4) | | (203,917,618) | - |
| 6. Exceptional items | | - | - |
| 7. Profit before extraordinary items and tax (5-6) | | (203,917,618) | - |
| 8. Extraordinary items | | - | - |
| 9. Profit before tax (7-8) | | (203,917,618) | - |
| 10. Tax expenses : | | | |
| (i) Current Tax | | - | - |
| (ii) Deferred Tax | | - | - |
| 11. Profit/(Loss) from continuing operations (9-10) | | (203,917,618) | - |
| 12. Profit/(Loss) from discontinuing operations | | - | - |
| 13. Tax expenses of discontinuing operations | | - | - |
| 14. Profit/(Loss) from discontinuing operations (after tax) (12-13) | | - | - |
| 15. Profit/(Loss) for the period (11+14) | | (203,917,618) | - |
| 16. Earning per equity share | | | |
| (i) Basic | | - | - |
| (ii) Diluted | | - | - |

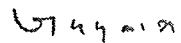
The accompanying notes form an integral part of these financial statements

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

For and on behalf of the board

For Dass Gupta & Associates
(Chartered Accountants)
F.R.N. 000112N

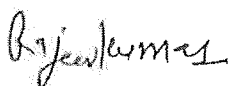

(CA Pankaj Mangal)
Partner
M.No. 097890

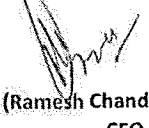

(Jaiprakash Gaur)
Executive Chairman
DIN 00008085


(Suren Jain)
Director
DIN 00011026


(Manoj Gaur)
Director
DIN 00008480

Place: Noida
Dated: 26.05.2016


(Rajeev Kumar)
Additional General Manager &
Company Secretary


(Ramesh Chand Sharma)
CFO

Prayagraj Power Generation Company Ltd.

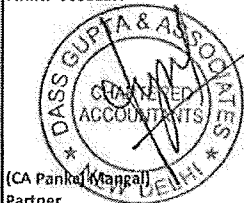
Cash Flow Statement
For the year ended on 31st March, 2016

(Amount In Rs.)

| Particulars | Year ended 31.03.16 | | Year ended 31.03.15 | |
|---|---------------------|-----------------|---------------------|------------------|
| | Amount | Amount | Amount | Amount |
| A Cash Flow from Operating Activities | | | | |
| Net Profit(Loss) before tax | (203,917,618) | | | |
| Add : Non Cash & Non Operating Expense : | | | | |
| Depreciation | 156,419,871 | | | |
| Finance costs | 386,492,503 | | | |
| Less : Non Cash & Non Operating Income : | | | | |
| Interest Income | 2,562,000 | | | |
| Operating Profit Before Working Capital Changes (1+2) | 336,432,756 | | | |
| Increase/(Decrease) in Other Current Liabilities | 3,061,484,372 | | | |
| Increase/(Decrease) in Short Term Borrowings | (2,614,622,244) | | | |
| Increase/(Decrease) in Short Term Provision | (117,216) | | | |
| Decrease/(Increase) in Inventory | (102,118,013) | | | |
| Decrease/(Increase) in Trade Receivable | (1,010,150,430) | | | |
| Decrease/(Increase) in Other Current Assets | (42,191,619) | | | |
| Decrease/(Increase) in Short-term loans and advances | (801,020,429) | | | |
| Net Cash flow from/(used In) Operating Activities | (1,172,302,822) | (1,172,302,822) | | |
| B Cash Flow from Investing Activities | | | | |
| (Purchases) of Fixed Assets | (47,296,942) | | (149,845,757) | |
| | (6,413,264,586) | | (18,543,722,503) | |
| (Increase)/ Decrease in Pre-operative Expenditures/ Capital Work in-Progress including Construction Material & Capital Advances | | | | |
| Interest Received (Net of TDS) | 44,079,172 | | 80,500,792 | |
| Less Tax paid on Interest | | | | |
| Net Cash Flow from Investing Activities | (6,416,482,356) | (6,416,482,356) | (18,613,067,467) | (18,613,067,467) |
| C Cash Flow From Financing Activities | | | | |
| Increase/(Decrease) in Share Capital | 700,000,000 | | 9,750,000,000 | |
| Increase/(Decrease) in Share Application Money | - | | (2,000,000,000) | |
| Increase/(Decrease) in Term Loan | 18,227,212,376 | | 22,344,661,002 | |
| Interest on Loans | (11,663,057,099) | | (10,142,721,921) | |
| Finance Charges | (630,517,611) | | (205,297,054) | |
| Net Cash Flow From Financing Activities | 6,633,637,666 | 6,633,637,666 | 19,746,642,027 | 19,746,642,027 |
| Net Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C) | | (955,147,513) | | 1,133,574,560 |
| Cash & Cash Equivalent at the beginning of the year | | 1,427,551,848 | | 293,977,288 |
| Cash & Cash Equivalent at the end of the year | | 472,404,335 | | 1,427,551,848 |

As per our Report of even date attached to the Balance Sheet.

For Dass Gupta & Associates
(Chartered Accountants)
F.R.N. 000112N



(CA Pankaj Kataria)
Partner
M.No. 097890

For and on behalf of the board

(Signature)
(Jaiprakash Gaur)
Executive Chairman
DIN 00008085

(Signature)
(Suren Jain)
Director
DIN 00011026

(Signature)
(Manoj Gaur)
Director
DIN 00008480

(Signature)
(Rajeev Kumar)
Company Secretary

(Signature)
(Ramesh Chand Sharma)
CFO

Place: Noida
Dated: 26.05.2016

Prayagraj Power Generation Company Limited

Note -1 to the Financial Statements

Significant Accounting Policies:

a) **Basis of Preparation of Financial Statements**

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

b) **Revenue Recognition**

- (i) Revenue/ Income and Costs/ Expenditure are accounted for on accrual basis as they are earned or incurred.

c) **Fixed Assets**

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

d) **Depreciation**

- (i) Premium on Leasehold Land is amortized over the period of Lease.
- (ii) Depreciation is provided on straight line method at the rates/ useful life specified in Schedule -II to the Companies Act, 2013.

e) **Expenditure during Construction Period**

Expenditure incurred on project/assets during construction/implementation is capitalized and apportioned to project/assets on commissioning of the Project.

f) **Foreign Currency Transactions**

- (i) Transactions in Foreign Currency are recorded in the Books of Accounts at the rate of exchange prevailing on the date of transaction.
- (ii) All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in Indian Currency at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Foreign Exchange gain/loss on Fixed Assets is adjusted against the cost of Assets. Foreign Exchange gain/loss other than on Fixed Assets is charged to Statement of Profit & Loss.

g) **Investments**

Investments are stated at Cost and where there is permanent diminution in the value of Investments a provision is made wherever applicable.

h) **Inventory**

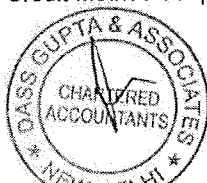
- (i) Inventory of Stores and Spares are valued at weighted average cost method.
- (ii) Material in transit is valued at cost.

i) **Employees Benefits**

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

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

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Rajew



j) Borrowing Costs

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

k) Taxes on Income

Provision for current tax is being made after taking into consideration benefits admissible to the company under the provisions of the Income Tax Act, 1961.

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

l) Preliminary Expenditure

Preliminary Expenditures are charged to Statement of Profit & Loss as per the provisions of AS-26.

m) 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.

n) 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 pretext discount rate that reflect the current market assessments of time value of money and the risk is specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Statement of Profit & Loss.

o) Intangible Assets



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

p) Segment Reporting

Revenue, operating results, assets and liabilities has been relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "Unallocated".

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


 

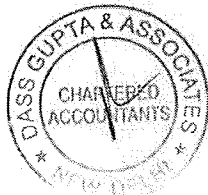


Prayagraj Power Generation Company Ltd.

Notes to Financial Statements

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|---|------------------------|------------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 2 to the financial statements | | |
| SHARE CAPITAL | | |
| AUTHORISED : | | |
| i) 4,00,00,00,000 Equity Shares (Previous year 4,00,00,00,000 Equity Shares) of Rs 10/- each | 40,00,00,00,000 | 40,00,00,00,000 |
| ii) 2,00,00,00,000, 11% Preference Shares (Previous year 2,00,00,00,000) of Rs. 10/- each | 20,00,00,00,000 | 20,00,00,00,000 |
| | 60,00,00,00,000 | 60,00,00,00,000 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 257,31,89,800 Equity Shares (Previous year 250,31,89,800 Equity Shares) of Rs 10/- each fully paid up | 25,731,898,000 | 25,031,898,000 |
| 27,00,00,000, 11% non-cumulative optionally convertible Preference Shares (Previous year 27,00,00,000) of Rs. 10/- each fully paid up | 2,700,000,000 | 2,700,000,000 |
| 35,00,00,000, 11% non-cumulative Non convertible Preference Shares (Previous year 35,00,00,000) of Rs. 10/- each fully paid up | 3,500,000,000 | 3,500,000,000 |
| | 31,931,898,000 | 31,231,898,000 |
| I (a). Reconciliation of no. of equity shares | | |
| | No. of Shares | No. of Shares |
| Balance as at the beginning of the year | 2,503,189,800 | 1,878,189,800 |
| Add: Shares Issued to Jaiprakash Power Ventures Ltd. during the year | 70,000,000 | 625,000,000 |
| Add: Shares Issued to Jaiprakash Associates Ltd. during the year | - | - |
| Balance as at the end of the year | 2,573,189,800 | 2,503,189,800 |
| I (b). Reconciliation of no. of 11% non-cumulative optionally convertible Preference Shares | | |
| | No. of Shares | No. of Shares |
| Balance as at the beginning of the year | 270,000,000 | 270,000,000 |
| Add: Shares Issued to Jaiprakash Power Ventures Ltd. during the year | - | - |
| Balance as at the end of the year | 270,000,000 | 270,000,000 |
| I(c). Reconciliation of no. of 11% non-cumulative non convertible Preference Shares | | |
| | No. of Shares | No. of Shares |
| Balance as at the beginning of the year | 350,000,000 | - |
| Add: Shares Issued to Jaiprakash Power Ventures Ltd. during the year | - | 350,000,000 |
| Balance as at the end of the year | 350,000,000 | 350,000,000 |
| <p>II (a) All the Equity Shares is having a par value of Rs. 10 per shares. The holders of the equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of share holders.</p> <p>II (b) All the 11% non-cumulative optionally convertible Preference Shares is having a par value of Rs. 10 per share. The holders of these shares are entitled to receive preferential dividend @ 11% which is non-cumulative. The holders of these shares are having an option to convert these shares in to equity shares of Rs. 10/- each after the expiry of 108 months from the date of allotment of these shares. Further to this the holders of these shares are entitled to attend General Meeting without voting right except in cases as provided in the Companies Act 2013. These Preference Shares are issued for a initial period of 10 years and can be extended for another 10 years maximum if agreed by both the parties and shall be redeemed at the option of the company at any time in whole or in part in one or more trenches.</p> <p>II (c) All the 11% non-cumulative non convertible Preference Shares is having a par value of Rs. 10 per share. The holders of these shares are entitled to receive preferential dividend @ 11% which is non-cumulative. Further to this the holders of these shares are entitled to attend General Meeting without voting right except in cases as provided in the Companies Act 2013. These Preference Shares are issued for a initial period of 10 years and can be extended for another 10 years maximum if agreed by both the parties and shall be redeemed at the option of the company at any time in whole or in part in one or more trenches.</p> <p>III. Jaiprakash Power Ventures Ltd., the Holding Company and its nominees holds 223,31,89,800 equity shares (86.79%) (Previous year 216,31,89,800 Equity shares (86.42%) and Jaiprakash Associates Ltd. Holds 34,00,00,000 Equity shares (13.21%) (Previous year 34,00,00,000 Equity Shares(13.58%)). Further to this Jaiprakash Power Ventures Ltd. holds 62,00,00,000 Preference Shares of Rs. 10 each (100%) (Previous year 62,00,00,000 Preference Shares of Rs. 10 each (100%))</p> | | |

 Rajiv



Notes to Financial Statements

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|---|----------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 3 to the financial statements | | |
| RESERVES & SURPLUS | | |
| SURPLUS | | |
| Balance as at the beginning of the year | (645,586) | (645,586) |
| Amount Transferred surplus/ (Deficit) from the Statement of Profit and Loss during the year | (203,917,618) | - |
| Balance as at the end of the year | (204,563,204) | (645,586) |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|-----------------------|-----------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 4 to the financial statements | | |
| LONG TERM BORROWINGS | | |
| SECURED LOANS : | | |
| Term Loans: | | |
| a) Indian Rupee Term Loan (RTL) from Bank Rs* | | |
| Original Term Loan | 63,843,000,000 | 63,838,000,000 |
| Additional Term Loan | 10,897,618,470 | - |
| b) Indian Rupee Term Loan (RTL) from Financial Institutions* | | |
| Original Term Loan | 9,872,000,000 | 9,872,000,000 |
| Additional Term Loan | 1,897,943,906 | - |
| c) ECB Loan from Financial Institutions* | 7,678,550,000 | 7,251,900,000 |
| d) "Optionally Convertible Sub Debt"- SBI | 5,000,000,000 | - |
| Total | 99,189,112,376 | 80,961,900,000 |

*The securities and terms & conditions of the term loans are given below:-

Purpose:

To part finance the capital expenditure of the Project

Tenor:

Original RTL & ECB Loan : Original tenor is 14.5 years door to door and revised to 16 years door to door

Additional Term Loan : Tenor is 14 years 10 months door to door

Optionally Convertible Sub Debt (OCSD) : Tenor 8 years 5 month door to door

Security:**Security for Original RTL & ECB Loan & Additional Term Loan**

First charge on immovable & movable, present and future, assets of the Company.

First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of the company, present and future, intangibles, goodwill and uncalled capital, present and future;

First charge on the Trust and Retention Account, Debt Service Reserve Account, and other reserves and any other bank accounts of the company wherever maintained, present and future;

First charge or creation of Security interest of;

- All the rights title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, duly acknowledged and consented by the relevant counter parties to such Project Documents;

- All the rights, title interest, benefits, claims and demands whatsoever of the Company in the Clearances;

- All the rights, title, interest, benefits, claims and demands whatsoever, of the Company in letter(s) of credit, guarantees, performance bonds, corporate guarantees, bank guarantees provided by any party to the Project Documents; and

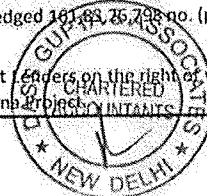
- All Insurance Contracts/ proceeds under Insurance Contracts;

A pledge of shares by the Sponsor representing 51% (fifty one percent) of the total paid up capital of the company.

The shares of the Company to be pledged shall be free from any restrictive covenants/lien or other encumbrance other than an encumbrance permitted under this Agreement under any contract/ arrangement including shareholder agreement/ joint venture agreement/ financing arrangement with regard to pledge/ transfer of the shares including transfer upon enforcement of the pledge and shall have voting rights of at least 51% (fifty one percent); As on 31.03.2016 Jaiprakash Power Ventures Ltd. had pledged 143,98,26,798 no. (previous year 143,98,26,798 no.) Equity Shares in favour of SBICAP Trustee Company Ltd.

A first charge on the Project Land and A pari passu charge along with Karchana Project Leaders on the right of way for the land, for the railway siding and the water pipeline, to the extent such right of way is shared with the Karchana Project Leaders.

Rajeev



Prayagraj Power Generation Company Ltd.

Notes to Financial Statements

Security for Optionally Convertible Sub Debt :

Second charge on the assets secured for Original & Additional Term Loan as per above and Additionally secured by Coporate Gaurantee of Jaiprakash Power Ventures Ltd.(Holding Company).

Rate of Interest:

Original RTL & ECB Loan : At Base Rate plus 4% with monthly rests. Interest to be paid at monthly interval on last day of the month.

Base rate as on 31.03.2016 is 9.30%

Additional Loan : At Base Rate plus 3.25% with monthly rests. Interest to be paid at monthly interval on last day of the month.

Base rate as on 31.03.2016 is 9.30%

Optionally Convertible Sub Debt:At Base Rate plus 8.70% with monthly rests. Interest to be paid at monthly interval on last day of the month.

Base rate as on 31.03.2016 is 9.30%

Repayment:

Original RTL & ECB Loan :- Principal is to be repaid 75% (Seventy Five percent) of the Rupee loan in 40 equal quarterly installments will start after a Mortatorium Period of 3 months from Scheduled Commercial Operation Date and is scheduled from 30.09.2016 till June 30, 2026 the entire balance of 25% (twenty five percent) shall be payable by a single bullet installment.

Additional Term Loan :- Principal is to be repaid 75% (Seventy Five percent) of the Additional Term loan in 50 equal quarterly installments will start after a Mortatorium Period of 12 months from Scheduled Commercial Operation Date and is scheduled from 30.06.2017 till September 30, 2029 the entire balance of 25% (twenty five percent) shall be payable by a single bullet installment.

Optionally Convertible Sub Debt :- Principal is to be repaid 24 Structured quarterly installment aggregating to 100% of the loan, Installments will start from 30.06.2018 (after a Mortatorium Period of 24 months from Scheduled Commercial Operation Date) till 31.03.2024.

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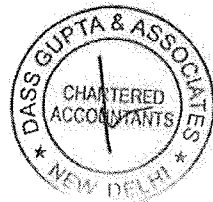
Notes to Financial Statements

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|---|----------------------|----------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 5 to the financial statements | | |
| OTHER LONG TERM LIABILITIES | | |
| Trade payables | - | - |
| Other Liabilities | | |
| Payables for capital expenditure | 3,413,226,640 | 3,167,960,844 |
| Others | - | - |
| Total | 3,413,226,640 | 3,167,960,844 |
| a) Other Liabilities- 'Payable for capital expenditure' includes deposit from contractors. | | |
| b) Disclosure w.r.t. Micro, Small and Medium Enterprises as required by MSMED Act,2006 is made in Note No.23. | | |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 6 to the financial statements | | |
| LONG TERM PROVISIONS | | |
| Provision for employee benefits | 2,409,576 | 2,091,757 |
| Provision for Gravity | 2,338,487 | 1,696,490 |
| Provision for Compensated Absences | | |
| Total | 4,748,063 | 3,788,247 |
| a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note no 32. | | |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|---|----------------------|----------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 7 to the financial statements | | |
| SHORT TERM BORROWING | | |
| Short Term Loan from Bank* | 884,300,000 | 5,000,000,000 |
| Cash Credit** | 1,325,013,823 | - |
| Loan from Related Parties*** | 176,063,933 | - |
| Total | 2,385,377,756 | 5,000,000,000 |
| *Company has taken the short term loan from State Bank of India against additional loan sanctioned for cost overrun-I originally for nine month which is further extended upto Thirteen month which will be repaid or adjusted against the additional loan, with an Interest rate SBI base rate (9.70%) plus margin of 3.50%. The short term loan is secured by Corporate Guarantee of Jaiprakash Power Ventures Ltd. (Holding Company) | | |
| ** The Security for Original RTL & ECB Loan & Additional Term Loan rank pari-passu for working Capital limit (Fund based and non fund based). (Refer Note 4 to the financial statement) | | |
| ***Related Parties includes Jaiprakash Power Ventures Ltd. Rs 15,47,00,000/- (previous year Rs NIL) & Sangam Power Generation Company Ltd Rs.2,13,63,933/- (previous year Rs NIL) | | |

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Rajeev



Notes to Financial Statements

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|----------------------|----------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 8 to the financial statements | | |
| OTHER CURRENT LIABILITIES | | |
| Payable for Capital expenditure | 1,810,902,694 | 2,145,287,398 |
| Suppliers & Contractors Retention money | 3,413,226,640 | 3,167,960,844 |
| Other Payables | | |
| Statutory dues | 30,347,441 | 27,405,300 |
| Book Overdraft* | - | 3,750,654 |
| Interest Accrued & Due on Term Loans | 3,086,568,955 | - |
| Others | 89,762,082 | 24,919,244 |
| Total | 8,430,807,812 | 5,369,323,440 |
| * Book Overdraft adjusted against Credit linked term deposit 'CLTD' amount on presentation of cheques Issued | | |

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|---|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 9 to the financial statements | | |
| SHORT TERM PROVISIONS | | |
| Provision for employee benefits | 63,381 | 35,023 |
| Provision for Grauity | 444,641 | 590,215 |
| Provision for Compensated Absences | | |
| Total | 508,022 | 625,238 |
| a) Disclosure required by AS 15 on 'Employees Benefits' has been made in Note no 32 | | |

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Rajew



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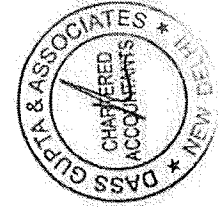
Notes to Financial Statements

Note No. 10 : Tangible Assets

| Description of Assets | Land | | Building | Plant and Equipment | Furniture and Fixtures | Vehicle | Office Equipment | Computer | Total |
|--|-------------|------------|---------------|---------------------|------------------------|-----------|------------------|-----------|----------------|
| | Free hold | Lease hold | | | | | | | |
| At 31 March 2015 | 754,038,404 | 60,795,831 | 400,275,092 | 67,300,989 | 34,619,693 | 5,838,255 | 16,047,376 | 5,694,666 | 1,344,610,306 |
| Additions | 9,485,892 | - | - | 27,726,583 | 2,682,906 | - | 5,722,236 | 1,679,325 | 47,296,942 |
| Transfer from CWIP | - | - | 2,657,709,103 | 61,311,134,241 | - | - | - | - | 63,968,843,344 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfer to assets held for sale (discontinuing operation) | - | - | - | - | - | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | - | - | - |
| - Exchange difference | - | - | - | - | - | - | - | - | - |
| - Borrowing costs | - | - | - | - | - | - | - | - | - |
| At 31 March 2016 | 763,524,296 | 60,795,831 | 3,057,984,195 | 61,406,161,813 | 37,302,599 | 5,838,255 | 21,769,612 | 7,373,991 | 65,360,750,592 |
| Description of Assets | Land | | Building | Plant and Equipment | Furniture and Fixtures | Vehicle | Office Equipment | Computer | Total |
| | Free hold | Lease hold | | | | | | | |
| At 31 March 2015 | - | 697,392 | 32,922,781 | 4,839,563 | 10,250,256 | 1,210,551 | 2,124,614 | 3,471,442 | 55,516,599 |
| Charge for the year | - | - | 18,107,081 | 151,479,557 | 7,391,111 | 721,574 | 1,164,222 | 1,102,466 | 179,966,011 |
| Amortisation | - | 2,708,034 | - | - | - | - | - | - | 2,708,034 |
| Disposals/Adjustment | - | - | - | - | - | - | - | - | - |
| At 31 March 2016 | - | 3,405,426 | 51,029,862 | 156,319,120 | 17,641,367 | 1,932,125 | 3,288,836 | 4,573,908 | 238,190,644 |
| Net Block | - | - | - | - | - | - | - | - | - |
| At 31 March 2015 | 754,038,404 | 60,098,439 | 367,352,311 | 62,461,426 | 24,369,437 | 4,627,704 | 13,922,762 | 2,223,224 | 1,289,093,707 |
| At 31 March 2016 | 763,524,296 | 57,390,405 | 3,006,954,333 | 61,249,842,693 | 19,661,232 | 3,906,130 | 18,480,776 | 2,800,083 | 65,122,559,948 |

Note:

- I In the view of Management there is no impairment in the value of Assets.
- II In accordance with requirement prescribed under schedule-II of Companies Act. 2013, the Company has adopted the useful lives as prescribed in Schedule-II
- III Previous year comparative figures have been regrouped and recast to the extent practicable, wherever necessary.



[Signature]
Rajesh

Note 11 to the financial statements

NON CURRENT ASSETS

Capital Work In progress and incidental expenditure during construction pending allocation

| S.No. | Particulars | (Amount In Rs.) | |
|-------|---|------------------------|------------------------|
| | | AS AT 31.03.2016 | AS AT 31.03.2015 |
| A. | Direct cost of project under construction : | | |
| | Opening Balance of Capital Work In progress | 92,492,122,790 | 76,930,191,059 |
| | Add: Transfer from Pre Operative Expenses | 111,180,677 | - |
| | Add: Addition during the year | 6,308,614,486 | 15,561,931,731 |
| | Less : Transfer to Fixed Assets | | |
| | Closing balance of Capital Work In progress (A) | 98,911,917,953 | 92,492,122,790 |
| B | Incidental expenditure during construction pending allocation | | |
| | Opening balance | 27,182,067,873 | 16,367,008,724 |
| | Less: Transfer to Direct cost of project under construction | (111,180,677) | - |
| | Add: Addition during the year | | |
| | Employee Benefit Expenses | | |
| | Salary, Wages, Bonus & other Benefits | 128,646,602 | 115,289,213 |
| | Contribution to Provident and other funds | 3,675,178 | 4,414,531 |
| | Gratuity | 336,088 | 69,382 |
| | Leave Incashment | 1,109,845 | 1,617,112 |
| | Staff welfare Expenses | 832,156 | 184,155 |
| | Directors Remuneration | | 9,566,562 |
| | | 134,599,869 | 131,140,955 |
| | Finance Cost | | |
| | Interest | 11,663,057,099 | 10,142,721,921 |
| | Financial Charges & Other expenses | 630,517,611 | 205,297,055 |
| | | 12,293,574,710 | 10,348,018,976 |
| | Depreciation and amortisation expense | 26,254,175 | 23,474,630 |
| | Other Expenses | | |
| | Power, Water & Electricity Charges | 434,371,857 | 156,696,029 |
| | Repair & Maintenance Charges: Machinery | 363,464 | 39,880 |
| | Repair & Maintenance Charges: Others | 1,708,007 | 2,218,641 |
| | Advertisement Expenses | 254,023 | 44,654 |
| | Postage & Courier Expenses | | 54,798 |
| | Printing & Stationery expenses | 1,013,219 | 1,076,628 |
| | Plantation expenses | 31,606 | 455,933 |
| | Security & Medical Expenses | 53,953,707 | 54,162,584 |
| | Insurance Charges : Assets | 40,844,356 | 3,761 |
| | Insurance Charges :Others | 34,888,965 | 101,113,097 |
| | Telephone & Telex Charges | 947,203 | 792,396 |
| | Royalty Paid | | 4,391,437 |
| | Other Administrative & General Expenses | 5,458,550 | 1,232,708 |
| | Internal Auditor's fee & Expenses | 606,472 | 607,863 |
| | Legal & Professional Expenses | 31,125,379 | 47,851,534 |
| | Rent , Rates and Taxes | 3,931,759 | 2,969,849 |
| | Charity & Donation | 2,085,000 | 1,970,000 |
| | Corporate Social Responsibility | 220,737 | 419,925 |
| | Testing Fee | 948,417 | 1,900,255 |
| | Director's Sitting Fee | 396,933 | - |
| | Loading ,Unloading & Demurrage | 9,673,182 | - |
| | Freight & Octrol Charges | 9,940,704 | - |
| | Travelling and Conveyance Exp. | 2,956,099 | 6,434,446 |
| | Vehicle Running & Hiring Charges | 3,439,412 | 6,097,947 |
| | Material Consumption during Construction & Trial run | 8,861,173 | 30,584,214 |
| | Statutory Audit Fee and Expenses | 575,615 | 567,057 |
| | | 648,595,879 | 421,685,636 |
| | BARA CEMENT GRINDING UNIT | | |
| | Printing & Stationery Expenses | - | - |
| | Freight & Other Expenses | - | - |
| | Insurance | - | 2,936,814 |
| | Consultancy Charges | - | - |
| | Travelling Expenses | - | 287,893 |
| | Finance & Bank Charges | 1,145 | 562 |
| | Legal & Professional Charges | - | 3,370 |
| | | 1,145 | 3,228,639 |
| | Sub Total | 40,173,912,973 | 27,294,557,559 |
| | Less: | | |
| | (i) a) Interest Income on FDR | 27,238,036 | 112,489,686 |
| | | 27,238,036 | 112,489,686 |
| | Sub Total | 27,238,036 | 112,489,686 |
| | Total B | 40,146,674,937 | 27,182,067,873 |
| C | CONSTRUCTION STORES | | |
| | BTG Equipments (Material In Transit) | 241,092,498 | 47,749,376 |
| | Stock with Contractor | 113,384,673 | 278,865,950 |
| | Total C | 354,477,171 | 326,615,326 |
| | Total Capital work In Progress and Construction Stores (A+B+C) | 139,413,070,061 | 120,000,805,989 |
| | Less: Capitalisation during the year | 63,968,843,344 | - |
| | Net Capital work In Progress and Construction Stores | 75,444,226,717 | 120,000,805,989 |



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Notes to Financial Statements

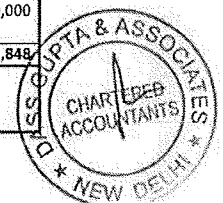
| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 12 to the financial statements | | |
| LONG TERM LOANS AND ADVANCES (Unsecured considered good) | | |
| a) Capital Advances | - | - |
| b) Security Deposit with NCL/ Govt. Corporations | - | 498,150,101 |
| Total | - | 498,150,101 |

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|---|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 13 to the financial statements | | |
| OTHER NON CURRENT ASSETS | | |
| BANK BALANCES | | |
| a) Deposits with more than 12 months original maturity* | 62,615,540 | 141,080,990 |
| * (Including FDR's amounting to Rs.6,15,89,918/- (Previous year Rs.13,97,12,646/-) Pledged with the Bank as margin money against Bank Guarantees | | |
| Total | 62,615,540 | 141,080,990 |

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 14 to the financial statements | | |
| INVENTORIES | | |
| Coal, Oil & Other Fuels | 277,251,907 | 141,920,024 |
| Stores & Spares | 13,377,686 | 46,591,556 |
| Total | 290,629,593 | 188,511,580 |

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|---------------------|----------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 15 to the financial statements | | |
| CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| i) In Current Accounts | 334,309,876 | 302,015,676 |
| ii) In Trust & Retention Account | | |
| iii) Deposits with original maturity less than 3 months * | 137,053,889 | 1,124,124,852 |
| Cash in Hand | 1,040,570 | 1,411,320 |
| Sub Total | 472,404,335 | 1,427,551,848 |
| Other Bank Balances | | |
| a) Deposits with original maturity from 3 months to 12 months* | 15,660,887 | 300,000,000 |
| Total | 488,065,222 | 1,727,551,848 |

*Including FDR's amounting to Rs.2,02,47,532/- (Previous year Rs.38,85,546/-) Pledged with the Bank as margin money against Bank Guarantees



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Prayagraj Power Generation Company Ltd.

Notes to Financial Statements

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|---|----------------------|----------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 16 to the financial statements | | |
| SHORT TERM LOANS AND ADVANCES (Unsecured, considered Good) | | |
| CAPITAL ADVANCES | | |
| Against Bank Guarantee | 598,674,415 | 689,175,063 |
| Other Loans & Advances | | |
| Related Parties* | 1,420,552,187 | - |
| Others (Advances given to Contractors and Suppliers) | 50,774,118 | 51,129,920 |
| Advance Tax, TDS and TCS | 50,415,067 | 47,253,981 |
| Balance with Govt. Authorities | 26,126,619 | 12,392,634 |
| Others** | 498,448,453 | 1,044,018,833 |
| Total | 2,644,990,859 | 1,843,970,430 |
| *Related Parties includes only Jalprakash Associates Ltd., Maximum advance outstanding during the year Rs 1,76,10,47,676/- (previous year Rs NIL) | | |
| **Other Includes advance given suppliers & contractors | | |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 17 to the financial statements | | |
| OTHER CURRENT ASSETS | | |
| Interest Accrued but not due on FDR | 4,816,266 | 24,818,488 |
| Others* | 83,060,890 | 20,867,049 |
| Total | 87,877,156 | 45,685,537 |

*Other Includes Imprest to employees and prepaid expenses.

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 18 to the financial statements | | |
| Revenue from Operations | | |
| Sale of Electricity | 584,492,814 | - |
| Total | 584,492,814 | - |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 19 to the financial statements | | |
| Other Income | | |
| Interest on : | | |
| Fixed Deposits with Banks | 1,286,684 | - |
| Others | | |
| Miscellaneous Income | 1,275,316 | - |
| Total | 2,562,000 | - |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 20 to the financial statements | | |
| Cost of material consumed | | |
| Coal | 178,765,124 | - |
| Oil & Other Fuels | 1,205,639 | - |
| Total | 179,970,763 | - |

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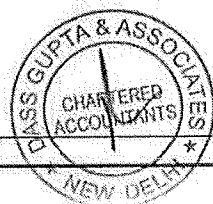


Notes to Financial Statements

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 21 to the financial statements | | |
| Employee benefits expenses | | |
| Salaries, Wages, Bonus etc | 26,305,462 | - |
| Contribution to Provident & Other Funds | 109,804 | - |
| Gratuity | 10,089 | - |
| Staff Welfare Expenses | 65,211 | - |
| Total | 26,490,566 | - |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 22 to the financial statements | | |
| Finance costs | | |
| Interest Expenses :- | | |
| Term Loan | 380,378,341 | - |
| Others :- | | |
| Other finance charges | 6,114,162 | - |
| Total | 386,492,503 | - |

| Particulars | (Amount In Rs.) | (Amount In Rs.) |
|--|---------------------|---------------------|
| | AS AT 31-03-2016 | AS AT 31-03-2015 |
| Note 23 to the financial statements | | |
| Other expenses | | |
| Power, Water & Electricity Charges | 23,093,909 | - |
| Repair & Maintenance Charges: Others | 40,759 | - |
| Advertisement Expenses | 40,000 | - |
| Printing & Stationery expens | 140,210 | - |
| Plantation expenses | 1,608 | - |
| Security & Medical Expenses | 1,796,320 | - |
| Insurance Charges : Assets | 1,226,097 | - |
| Insurance Charges :Others | 1,047,381 | - |
| Telephone & Telex Charges | 142,410 | - |
| Other Administrative & General Expenses | 23,221 | - |
| Internal Auditor's fee & Expenses | 15,903 | - |
| Net Foreign exchange loss | 12,434,244 | - |
| Legal & Professional Expenses | 418,206 | - |
| Rent , Rates and Taxes | 102,728 | - |
| Charity & Donation | 375,000 | - |
| Corporate Social Responsibility | 13,000 | - |
| Testing Fee | 13,203 | - |
| Director's Sitting Fee | 118,317 | - |
| Freight & Octroi Charges | 179,933 | - |
| Travelling and Conveyance Exp. | 197,619 | - |
| Vehicle Running & Hiring Charges | 156,176 | - |
| Statutory Audit Fee and Expenses | 22,485 | - |
| Total | 41,598,729 | - |



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Note 24 to the Financial Statements:

The Company is setting up a 1980 MW (3 x 660MW) coal based thermal power project "the Project" at Tehsil Bara, District Allahabad, Uttar Pradesh. The Company is subsidiary of Jaiprakash Power Ventures Limited. During the year , the Company has commenced commercial production from one unit of 660MW and remaining are under construction.

Note 25 to the Financial Statements:

Contingent Liabilities:

| | <u>(Amount in Rs.)</u> | |
|--|-----------------------------------|---|
| | <u>31.03.2016</u> | <u>31.03.2015</u> |
| (I) Outstanding amount of Letter of credit (Margin money against the above) | 74,75,353 /- (1,87,04,900/-) | 3,31,56,858/- (3,41,43,318/-) |
| (II) Outstanding amount of Bank Guarantee (Margin Money against above) (Rupee Term loan earmarked against above) | 69,41,20,410/- (7,67,06,262/-) | 19,60,29,223/- (14,35,98,192/-) (49,95,750/-) |
| (III) Second charge on the assets of the Company in favour of the Bank for financial assistance to JPVL. | - | - |
| (IV) Residual charge on the assets of the Company in favour of the JPVL Banks for financial assistance (outstanding Rs. 635,00,00,000/- previous year 1190,00,00,000/-) | 1500,00,00,000/- | 1500,00,00,000/- |
| (V) Mining Royalty -Mining Department Allahabad raised a demand for mining royalty for civil excavation at Project site (Company filed appeal along with stay application before the Hon'ble Supreme court against the Judgment of Hon'ble High Court on this demand. | 4,45,47,830/- | 4,45,47,830/- |
| (v) Entry Tax – As per Interim Order passed by Hon'ble Supreme Court dated 23.01.2012, appeal against the Judgment of Allahabad High Court questioning the validity of the U.P. Tax on entry of goods into Local Areas Act, 2007. (Against the total liability of Rs. 14,70,16,780/- (previous year Rs. 9,42,44,843/-) Rs. 14,31,31,234/- paid (previous year Rs. 9,03,59,297/-) and bank guarantee given Rs. 38,85,546/- (previous year Rs. 38,85,546/-)) | 14,70,16,780/- | 9,42,44,843/- |
| (VI) Income tax matters under appeal | 9,22,17,435/- | 5,02,91,950/- |

Note 26 to the Financial Statements:

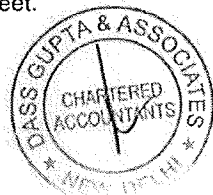
Capital commitment and other commitments:

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|---|--------------------------|--------------------------|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for: | | |
| INR | 6,32,35,32,593/- | 9,34,62,09,412/- |
| USD | 8,34,667 | 28,09,292 |
| EURO | 24,57,816 | 45,15,675 |

Note 27 to the Financial Statements:

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



Note 28 to the Financial Statements:

(a) Value of Import calculated on C.I.F. Basis

| | <u>2015-2016</u> <u>(Amount in Rs.)</u> | <u>2014-2015</u> <u>(Amount in Rs.)</u> |
|-------------------------------|--|--|
| i) Components and spare parts | NIL | NIL |
| ii) Capital Goods | NIL | 2,44,13,748/- |

(b) Expenditure in Foreign Exchange:

| | <u>2015-2016</u> <u>(Amount in Rs.)</u> | <u>2014-2015</u> <u>(Amount in Rs.)</u> |
|---------------------------------|--|--|
| i) Professional Consultancy | - | 12,18,606/- |
| ii) Travelling Exp. | 92785/- | - |
| iii) Interest & Finance Charges | 34,22,98,054/- | 18,15,46,354/- |

(C) Earnings in Foreign Exchange

| | <u>2015-2016</u> <u>(Amount in Rs.)</u> | <u>2014-2015</u> <u>(Amount in Rs.)</u> |
|--------------------------------|--|--|
| i) Earning in foreign Currency | NIL | NIL |

Note 29 to the Financial Statements:

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

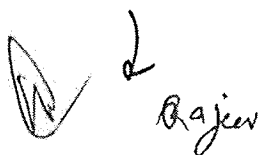
| S. No. | Particulars | 2015-16 Amount (Rs.) | 2014-15 Amount (Rs.) |
|--------|---|-------------------------|-------------------------|
| a) | The principal amount and interest due thereon remaining unpaid to any supplier -Principal Amount -Interest Amount | NIL NIL | NIL NIL |
| b) | The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the supplies 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 during 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 Enterprise Development Act, 2006 | NIL | NIL |

Note 30 to the Financial Statements:

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

(1) List of Related Parties and Relationship

- i. **Holding Company**
Jaiprakash Power Ventures Limited (JPVL) (subsidiary of JAL)
- ii. **Ultimate Holding Company**
Jaiprakash Associates Limited (JAL)


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iii. **Fellow Subsidiaries**

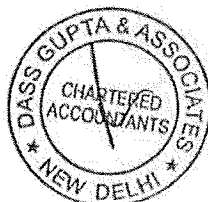
- 1) Jaypee Powergrid Limited (JV subsidiary of JPVL)
- 2) Jaypee Arunachal Power Limited (JV subsidiary of JPVL)
- 3) Sangam Power Generation Company Limited (subsidiary of JPVL)
- 4) Jaypee Meghalaya Power Limited (subsidiary of JPVL)
- 5) Himachal Baspa Power Company Limited (subsidiary of JPVL till 07.09.15; No more a subsidiary w.e.f. 08.09.15)
- 6) Bina Power Supply Limited (new name w.e.f. 28.09.15 of Himachal Karcham Power Company Limited) (subsidiary of JPVL)
- 7) Jaypee Infratech Limited (JIL) (subsidiary of JAL)
- 8) Bhilai Jaypee Cement Limited (JV subsidiary of JAL)
- 9) Himalyan Expressway Limited (subsidiary of JAL)
- 10) Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
- 11) Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL)
- 12) Jaypee Agra Vikas Limited (subsidiary of JAL)
- 13) Jaypee Fertilizers & Industries Limited (subsidiary of JAL)
- 14) Jaypee Cement Corporation Limited (subsidiary of JAL)
- 15) Himalyaputra Aviation Limited (subsidiary of JAL)
- 16) Jaypee Assam Cement Limited (subsidiary of JAL)
- 17) Jaypee Cement Cricket (India) Limited (subsidiary of JAL)
- 18) Jaypee Healthcare Limited (subsidiary of JIL)
- 19) Jaypee Cement Hockey (India) Limited (subsidiary of JAL)
- 20) Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)


Note-1: Bokaro Jaypee Cement Limited (BoJCL) ceased to be a subsidiary of the Company w.e.f. 29th November 2014, consequent to sale of JAL's entire 74% stake in it.)

Note-2: Jaypee Sports International Limited (JPSI) ceased to be a subsidiary of JAL as it amalgamated into JAL on 16.10.15 w.e.f. the Appointed Date 01.04.14) .

vi. **Associate Companies/Concerns**

- 1) MP Jaypee Coal Limited (JV Associate Co.)
- 2) MP Jaypee Coal Fields Limited (JV Associate Co.)
- 3) Madhya Pradesh Jaypee Minerals Limited (JV Associate Co.)
- 4) Jaypee Uttar Bharat Vikas Private Limited (JV Associate Co.)
- 5) Kanpur Fertilizers & Cement Limited (JV Associate Co.)
- 6) Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV)
- 7) Jaypee Development Corporation Limited (JDCL) (Subsidiary of JIV)
- 8) Andhra Cements Limited (subsidiary of JDCL)
- 9) JIL Information Technology Limited (JILIT) (Subsidiary of JIV)
- 10) Gaur & Nagi Limited (Subsidiary of JILIT)
- 11) Jaypee International Logistics Company Private Limited (subsidiary of JIV)
- 12) Tiger Hills Holiday Resort Private Limited (subsidiary of JDCL)
- 13) Anvi Hotels Private Limited (subsidiary of JIV)
- 14) RPJ Minerals Private Limited (RPJMPL)
- 15) Sarveshwari Stone Products Private Limited (subsidiary of RPJMPL)
- 16) Rock Solid Cement Limited (subsidiary of RPJMPL)
- 17) Sonebhadra Minerals Private Limited
- 18) Jaiprakash Kashmir Energy Limited
- 19) Indesign Enterprises Private Limited (subsidiary of JIV)
- 20) Jaypee Jan Sewa Sansthan ('Not for Profit' Pvt. Ltd. Company)
- 21) Ceekay Estates Private Limited
- 22) Dixit Holdings Private Limited
- 23) Jaypee Hotels Limited
- 24) Jaiprakash Exports Private Limited
- 25) Bhumi Estate Developers Private Limited
- 26) Jaypee Mining Ventures Private Limited
- 27) JC World Hospitality Pvt. Ltd.
- 28) C K World Hospitality Pvt. Ltd.
- 29) JC Wealth & Investment Pvt. Ltd.
- 30) Liberan Venture Pvt. Ltd.
- 31) Liberan Real Estate Pvt. Ltd.




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v Key management Personnel:

1. Shri Jaiprakash Gaur – Executive Chairman

(2) Transactions carried out with related parties referred to above:

The Following are the details of transactions with the related parties:

(Amount in Rs.)

| Particulars | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| With Holding Company | | |
| Second Charge on the Assets of the Company in favour of Bank for Financial Assistance to Jaiprakash Power Ventures Limited as referred to in 1 (i) above | -- | -- |
| Residual Charge on Assets of the Company in favour of Banks for Financial Assistance to Jaiprakash Power Ventures Limited as referred to in 1 (i) above | 635,00,00,000 | 11,90,00,00,000 |
| Short Term Borrowings | 15,47,00,000 | - |
| Outstanding (debit)/ credit | 15,47,00,000 | - |
| Outstanding credit for Bara Cement Grinding Unit | 8,00,00,000 | 8,00,00,000 |
| Sangam Power Generation Co.Ltd.(a unit of 1(i) above)- Short Term Borrowings | 213,63,933 | - |
| Outstanding (debit)/ credit | 213,63,933 | - |
| Jaypee Nigrie Super Thermal Power Project (a unit of 1(i) above) – Purchases | -- | 17,18,995 |
| Outstanding (debit)/ credit | 3,13,95,266 | 3,15,47,895 |
| Jaypee Bina Thermal Power Project (a unit of 1(i) above) – Purchases | 1,18,56,656 | 1,18,56,668 |
| Outstanding (debit)/ credit | 2,24,94,764 | 1,18,56,668 |
| Ultimate-Holding Company | | |
| Jaiprakash Associates Limited | | |
| Transaction during the year | | |
| - Purchases | 24,85,36,688 | 29,96,64,033 |
| - Civil Work Contract | 60,62,33,457 | 2,29,18,47,568 |
| - Expenses incurred on behalf of Co. (net) | 5,72,01,978 | 197,00,000 |
| Outstanding (debit)/ credit | (1,29,68,25,624) | 6,08,14,453 |
| Performance Bank Guarantee given on behalf of the company | 1,50,00,00,000 | 150,00,00,000 |
| Corporate Guarantee received during the year | -- | 25,00,00,000 |
| Corporate Guarantee closing balance | 175,49,14,000 | 175,49,14,000 |
| Advance received for Bara Cement Grinding Unit | -- | 10,88,97,000 |
| Fellow Subsidiaries of the ultimate Holding Company | | |
| Himalyaputra Aviation Ltd. | | |
| Expenses | 21,59,472 | 42,36,900 |
| Associate Company | | |
| Jaypee Development Corporation Limited | | |
| - Services | 5,39,27,829 | 5,41,71,184 |
| Outstanding (debit)/ credit | 3,71,65,831 | 3,71,86,053 |

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Review



Transactions with Key Management Personnel:

Salary, Perquisite and other benefits.

1,18,21,700

Note 31 to the Financial Statements:

The Company is incurring heavy losses being the initial years of commercial production. Deferred Tax assets is not recognized on account of absence of virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

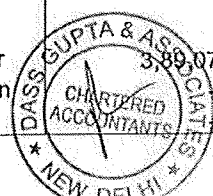
Note 32 to the Financial Statements:

Gratuity and Leave encashment – Defined Benefit Plan – Provision made as per Actuarial Valuation for the current year.

Actuarial Assumptions:

| Particulars | 2015-16 | 2014-15 |
|---------------|--|--|
| Discount Rate | 8.0% | 8.0% |
| Mortality | IALM (2006-2008) | IALM (2006-2008) |
| Turnover Rate | Up to 30 years 2%, from 31-44 years 5%, Above 44 years 3%. | Up to 30 years 2%, from 31-44 years 5%, Above 44 years 3%. |

| S. No. | Particulars | Gratuity | | Leave Encashment | |
|--|--|-------------|-------------|------------------|-------------|
| | | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| I. Expenses recognized in the statements of Profit and Loss Account for the year ended 31st March, 2016 | | | | | |
| (i) | Current Service Cost | 8,51,224 | 9,12,448 | 10,78,283 | 10,81,704 |
| (ii) | Interest Cost | 1,70,142 | 1,74,879 | 1,82,936 | 2,34,617 |
| (iii) | Expected return on plan assets | (35,017) | (32,017) | --- | --- |
| (iv) | Actuarial (Gains)/ Losses | (6,45,641) | (10,18,622) | (1,18,058) | 3,00,791 |
| (v) | Past Service Cost | --- | --- | --- | --- |
| (vi) | Settlement Cost | --- | --- | --- | --- |
| (vii) | Total Expenses | 3,40,708 | 36,635 | 11,43,161 | 16,17,112 |
| II. Net Assets/(Liability) recognized in the Balance Sheet as at 31st March, 2016 | | | | | |
| (i) | Present Value of Defined Benefit Obligation | 24,72,957 | 21,26,780 | 27,83,128 | 22,86,705 |
| (ii) | Fair Value of Plan Assets | 3,94,545 | 3,89,076 | --- | --- |
| (iii) | Funded Status Surplus/(Deficit) | (20,78,412) | (17,37,704) | (27,83,128) | (22,86,705) |
| (iv) | Net Asset/(Liability) recognised in balance sheet | (20,78,412) | (17,37,704) | (27,83,128) | (22,86,705) |
| III. Change in obligation during the year ended 31st March, 2016 | | | | | |
| (i) | Present Value of Defined Benefit Obligation at the beginning of the year | 21,26,780 | 20,57,398 | 22,86,705 | 27,60,200 |
| (ii) | Current Service Cost | 8,51,224 | 9,12,448 | 10,78,283 | 10,81,704 |
| (iii) | Interest Cost | 1,70,142 | 1,74,879 | 1,82,936 | 2,34,617 |
| (iv) | Settlement Cost | --- | --- | --- | --- |
| (v) | Past Service Cost | --- | --- | --- | --- |
| (vi) | Actuarial (Gains)/ Losses | (6,47,532) | (10,17,945) | (1,18,058) | 3,00,791 |
| (vii) | Benefit Payments | (27,657) | --- | (6,46,738) | (20,90,607) |
| (viii) | Present Value of Defined Benefit Obligation at the end of the year | 24,72,957 | 21,26,780 | 27,83,128 | 22,86,705 |
| IV. Change in Assets during the year ended 31st March, 2016 | | | | | |
| (i) | Present Assets at the beginning of the year | --- | 3,89,076 | --- | --- |
| (ii) | Assets acquired on amalgamation in previous year | --- | --- | --- | --- |



Signature and initials at the bottom left of the page.

| | | | | | |
|--------|------------------------------------|----------|----------|-----|-----|
| (iii) | Settlements | --- | --- | --- | --- |
| (iv) | Contribution by Employer | --- | --- | --- | --- |
| (v) | Actual Benefit paid | (27,657) | --- | --- | --- |
| (vi) | Actuarial Gains/(Losses) | --- | --- | --- | --- |
| (vii) | Actual return on Plan Assets | 33,126 | 32,747 | --- | --- |
| (viii) | Plan Assets at the end of the year | 3,94,545 | 3,89,076 | --- | --- |

Note 33 to the Financial Statements:

All the figures have been rounded off to the nearest rupees, all the figures have been in INR unless otherwise stated.

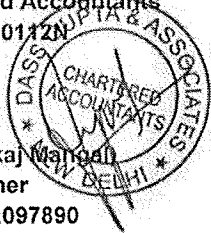
Note 34 to the Financial Statements:

Previous year's figures have been regrouped/ re-arranged wherever considered necessary to make them conform to the figures for the year.

For Dass Gupta & Associates

Chartered Accountants

F.R.N. 000112N



(CA Pankaj Mahajan)
Partner
M.No.097890

For and on behalf of the board

Uthay A. S.

(Jaiprakash Gaur)
Executive Chairman
DIN 00008085

Suren Jain

(Suren Jain)
Director
DIN 00011026

Manoj Gaur

(Manoj Gaur)
Director
DIN 00008480

Place: Noida
Dated: 26.05.2016

Rajeev Kumar
(Rajeev Kumar)
Additional General Manager &
Company Secretary

Ramesh Chand Sharma
(Ramesh Chand Sharma)
CFO