

AUDITORS' REPORT

TO THE MEMBERS OF
JAYPEE MEGHALAYA POWER LIMITED

We have audited the attached Balance Sheet of **JAYPEE MEGHALAYA POWER LIMITED** as at 31st March 2012 and the annexed Statement of Profit and Loss for the year ended on 31st March 2012 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 and 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 and the Statement of Profit and Loss for the year ended 31st March 2012 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,
- 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, and
- 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 MEGHALAYA POWER LIMITED**.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
- (c) No Fixed assets have been disposed off during the period, so as to affect the Company as a going concern.
- (ii) As the Company has no inventory, Clause (ii) of Para 4 of the Order is not applicable.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have

been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

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

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

CA R. NAGPAL
Partner
M.No. 81594

Place : Noida
Dated :12th May 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	(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
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	500,000	500,000
(b) Reserves and Surplus	4	(203,603)	296,397
(2) Share application money pending allotment	5	66,500,000	49,500,000
(3) Non Current Liabilities	6		
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long-term liabilities		-	-
(d) Long-term provisions		35,158	35,158
(4) Current Liabilities	7		
(a) Short-term borrowings		-	-
(b) Trade payables		9,034,269	309,342
(c) Other current liabilities		833,713	3,500
(d) Short-term provisions		824	312,842
TOTAL		76,700,361	50,109,239
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		3,150,428	539,248
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		69,470,474	40,628,712
(iv) Intangible assets under development		-	72,620,902
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	9	115,662	45,000
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	1,866,875	7,220,915
(e) Short-term loans and advances	11	2,096,862	1,615,975
(f) Other current assets	12	60	59,389
TOTAL		76,700,361	50,109,239

Summary of Significant Accounting Policies 2.2

The Note Nos. 1 to 22 are Integral part of the Financial Statements

As per our report of even date
For R. NAGPAL ASSOCIATES
Chartered Accountants
Firm Registration No.: 002626N

For and on Behalf of the Board of Directors of
Jaypee Meghalaya Power Limited

R. Nagpal
Partner
M.No.81594

Suren Jain
Director

Pankaj Gaur
Director

Place : Noida
Date : 12.05.2012

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

PARTICULARS	Note No.	(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
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		-	203,603
Other expenses		-	-
Total expenses		-	203,603
V. Profit before exceptional and extraordinary items and tax (III -IV)		-	(203,603)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V -VI)		-	(203,603)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		-	(203,603)
X. Tax Expense :			
(i) Current tax		-	-
(ii) Deferred tax		-	-
XI. Profit/(loss) from continuing operations (IX-X)		-	(203,603)
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)		-	(203,603)
XVI. Earnings per equity share :			
(i) Basic		-	-
(ii) Diluted		-	-

Summary of Significant Accounting Policies 2.2

The Note Nos. 1 to 22 are Integral part of the Financial Statements

As per our report of even date
For R. NAGPAL ASSOCIATES
Chartered Accountants
Firm Registration No.: 002626N

For and on Behalf of the Board of Directors of
Jaypee Meghalaya Power Limited

R. Nagpal
Partner
M.No.81594

Suren Jain
Director

Pankaj Gaur
Director

Place : Noida
Date : 12.05.2012

Notes to the financial statements for the year ended March 31, 2012

Note 1. CORPORATE INFORMATION

Jaypee Meghalaya Power Limited (JMPL) was incorporated on August 26, 2010 as a wholly owned subsidiary of Jaiprakash Power Ventures Limited for implementation of the "Umngot HE Power Project" and "Kynshi-II HE Power Project" on BOOT (Build, Own, Operate and Transfer) basis. Jaiprakash Power Ventures Limited, the holding Company had entered into two separate memorandum of agreements with government of Meghalaya for implementing 270 MW umngot HE project in the umngot river and 450 MW Kynshi-II HE project in the kynshi river basin both in state of Meghalaya. Necessary Steps have been initiated to start to the work relating to survey and investigation for the project. The projects of the company are still in the development stage.

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

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.

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 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 on 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) 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.

(g) 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.

(h) 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.

(i) Earning Per Share

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

(j) 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.

(k) 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.

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 ₹
Authorized				
Equity shares of ₹ 10 each	9,000,000	90,000,000	1,000,000	10,000,000
	9,000,000	90,000,000	1,000,000	10,000,000
Issued , Subscribed and Fully Paid-up				
Equity shares of ₹ 10 each	50,000	500,000	50,000	500,000
	50,000	500,000	50,000	500,000

(a) Reconciliation of the shares 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	50,000	500,000	-	-
Issued during the year	-	-	50,000	500,000
Outstanding at the end of the year	50,000	500,000	50,000	500,000

(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. The company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

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	% holding	No of shares	% holding
Jaiprakash Power Ventures Limited- Holding Co.- Equity shares of ₹ 10 each fully paid up	50,000	100	50,000	100

(d) Jaiprakash Power Ventures Ltd is the only shareholder of the company, the holding company.

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

Note 4 - RESERVES AND SURPLUS

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
Surplus		
Opening Balance	(203,603)	-
Add : Profit After Tax during the period	-	(203,603)
Total	(203,603)	(203,603)

Note 5- SHARE APPLICATION MONEY PENDING ALLOTMENT

- (i) Upto 31.03.2012, the company has received ₹ 6,65,00,000 towards share application money towards 6650000 no. of equity shares at a par value of ₹10 per share. The share application money was received pursuant to issue of shares on private placement basis.

- (ii) 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.
- (iii) Accordingly, 6650000 no. of shares will be issued to Jaiprakash Power Ventures Limited, the company's holding company, which has subscribed for the entire amount of issue.
- (iv) No amount out of the said share application money is due for refund.
- (v) The company has sufficient Authorised Share Capital for allotment of shares to its holding company.

Note 6 - NON-CURRENT LIABILITIES

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
(a) Long-term borrowings	-	-
(b) Deferred tax liabilities (Net)	-	-
(c) Other Long-term liabilities	-	-
(d) Long-term provisions		
Provision for employee benefits:		
- Provision for gratuity	24,709	-
- Provision for leave benefits	10,449	35,158
TOTAL	35,158	-

Note 7 - CURRENT LIABILITIES

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
(a) Short-term borrowings	-	-
(b) Trade payables		
(Refer Note 15 for details of dues to micro and small enterprises)	9,034,269	309,342
Total	9,034,269	309,342
(c) Other current liabilities		
Others:		
TDS payable	833,713	3,500
Total	833,713	3,500
(d) Short-term provisions		
Provision for employee benefits:		
- Provision for gratuity	378	-
- Provision for leave benefits	446	-
Total	824	-

NOTE 8
FIXED ASSETS
(i) Tangible assets

S. 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	Charge for the year	Deductions during the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Building	-	293,177	-	293,177	-	3,199	-	3,199	289,978	-
2	Plant & Equipment	446,055	331,388	-	777,443	13,149	26,421	-	39,570	737,873	432,906
3	Furniture & Fixture	18,955	-	-	18,955	18,955	-	-	-	-	-
4	Vehicles	-	2,008,034	-	2,008,034	-	122,995	-	122,995	1,885,039	-
5	Office Equipments	47,150	110,457	-	157,607	6,875	24,935	-	31,810	125,797	40,275
6	Computers	79,000	-	-	79,000	12,933	15,738	-	28,671	50,329	66,067
7	Ship & Boats	-	61,875	-	61,875	-	463	-	463	61,412	-
	Total	591,160	2,804,931	-	3,396,091	51,912	193,751	-	226,708	3,150,428	539,248
	Previous Year	-	591,160	-	591,160	-	51,912	-	51,912	539,248	-

(ii) Intangible assets	-	-	-	-	-	-	-	-	-	-	-
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(iii) Capital work-in-progress

During the year the company has incurred following expenses of revenue nature which are being added to the capital work-in-progress:

Particulars	Note No.	Figures as at the end of Current reporting period 31.03.2012	Figures as at the end of previous reporting period 31.03.2011
		₹	₹
OPENING BALANCE AS ON 1 ST APRIL		40,628,712	-
Employee Benefits Expense	8.iii.a	5,941,098	677,180
Depreciation and amortization expense		193,751	51,912
Other Expenses	8.iii.b	22,706,913	39,899,620
Amount Carried Forward		69,470,474	40,628,712

8.iii.a Employee Benefits Expense

Particulars	Figures as at the end of Current reporting period 31.03.2012	Figures as at the end of previous reporting period 31.03.2011
	₹	₹
Salaries Wages & Bonus	2,792,301	-
Staff Welfare	1,640,509	408,591
Car Hire	1,353,253	267,528
Medical Exp	155,035	1,061
Total	5,941,098	677,180

8.iii.b Other Expenses

Particulars	Figures as at the end of Current reporting period 31.03.2012	Figures as at the end of previous reporting period 31.03.2011
	₹	₹
Power & Electricity Charges	220,467	15,640
Rent	647,421	87,061
Repair & Maintenance (Plant & Machinery)	233,599	18,288
Insurance charges: Assets	170	-
Rates & Taxes	2,600	14,000
Miscellaneous Exp	280,089	67,779
Camp Maintenance	4,780,128	556,348
Consultancy Charge	9,125,851	35,000
Freight & Octroi Charges	142,851	98,029
Repair & Maintenance (Others)	-	11,598
Road Work Expenses	515,589	311,383
Rural Development Expenses	119,044	1,500,000
Survey Works Expenses	4,269,118	369,363
Travelling Expenses	995,413	395,629
Upfront & Processing Fee of the Project Transferred From Holding Co.	-	36,000,000
Vehicle Running & Maintenance	1,262,213	309,202
Auditor's Remuneration (Refer Note 15)	112,360	110,300
Total	22,706,913	39,899,620

Note 9 LONG TERM LOANS AND ADVANCES

(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	115,662	45,000
Total	115,662	45,000

Note 10 CASH AND CASH EQUIVALENTS

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
A) Balance with Banks		
In Current accounts	1,680,042	6,860,236
(a)	1,680,042	6,860,236
B) Cash in hand	186,833	360,679
(b)	186,833	360,679
Total (a+b)	1,866,875	7,220,915

Note 11 SHORT TERM LOANS AND ADVANCES

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
Loans and Advances to Others		
Secured, considered good	-	-
Unsecured, considered good:		
Imprest & Advances	622,722	400,489
Advances recoverable in cash or in kind or for value to be received	1,474,140	1,215,486
Total	2,096,862	1,615,975

Note 12 OTHER CURRENT ASSETS

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
Prepaid Expenses	60	59,389
Total	60	59,389

Note 13.
Related Party Disclosures as required in terms of "Accounting Standard[AS] - 18" are given below:
Relationships:
(a) Holding Company

- Jaiprakash Power Ventures Limited
- Jaiprakash Associates Limited, Holding Company of Jaiprakash Power Ventures Limited

(b) Fellow Subsidiary Companies :-

- Jaypee Powergrid Limited (subsidiary of Jaiprakash Power Ventures Limited)
- Sangam Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- Prayagraj Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- Jaypee Arunachal Power Limited (Joint Venture subsidiary of Jaiprakash Power Ventures Limited)
- Jaypee Ganga Infrastruture Corporation Limited
- Himalyan Expressway Limited
- Jaypee Infratech Limited
- Jaypee Sports International Limited
- Bhilai Jaypee Cement Limited
- Bokaro Jaypee Cement Limited
- Gujarat Jaypee Cement and Infrastructure Limited
- Jaypee Agra Vikas Limited
- Jaypee Fertilizers & Industries Limited (w.e.f 03.06.2010)
- Jaypee Cement Corporation Limited (w.e.f 22.02.2011)
- Jaypee Assam Cement Limited (w.e.f 30.09.2011)
- Himalayaputra Aviation Limited (w.e.f 23.07.2011)

(c) Associate Companies:

- Jaypee Infra Ventures (A Private Company with unlimited liability) - (The erst while Jaypee Ventures Private Limited merged in the Company w.e.f 01.4.2011, the appointed date).
- Jaypee Development Corporation Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability).
- JIL Information Technology Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability).
- Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- Indesign Enterprises Private Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- GM Global Mineral Mining Private Limited . (subsidiary of Indesign Enterprises Pvt. Ltd. w.e.f. 16.07.2010)
- Jaiprakash Agri Initiatives Company Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- Jaypee International Logistics Company Private Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- Anvi Hotels Private Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- RPJ Minerals Private Limited
- Sonebhadra Minerals Private Limited
- Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited)
- Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- MP Jaypee Coal Limited
- MP Jaypee Coal Fields Limited
- Madhya Pradesh Jaypee Minerals Limited
- Jaiprakash Kashmir Energy Limited
- Jaypee Uttar Bharat Vikas Private Limited.
- Kanpur Fertilizers & Cement Limited (subsidiary of Jaypee Uttar Bharat Vikas Private Limited).
- Andhra Cement Limited w.e.f 10.02.2012 (subsidiary of Jaypee Development Corporation Limited)

(d) Key Management Personnel:

Shri Pankaj Gaur **Director**

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

(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 application Money received	17,000,000	49,500,000	-	-	-	-	-	-
Share Capital	-	500,000	-	-	-	-	-	-
Expenditure								
Project Transfer	-	36,000,000	-	-	-	-	-	-
Preliminary Expenses	-	176,675	-	-	-	-	-	-
Advertisement Expenses	5634	-	-	-	-	-	-	-
Consultancy Charges	-	-	-	-	7,721,000	-	-	-
Balance as at end of the year								
Amount Payable			-	-	7,721,000	-	-	-

Note 14.

(In ₹)

(a) 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 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 Employee. 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.

(b) Leave Encashment -Defined Benefit Plans -

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

(In ₹)

Sl. No.	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	
		Funded	Non-funded	Funded	Non-funded
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Expenses recognized in the Statement of Incidental Expenditure During Project Implementation, Pending Allocation for the Year ended 31 st March 2012.			-	-
	1. Current Service Cost.	25,087	10,895		
	2. Interest Cost	-	-	-	-
	3. Expected Return on Plan Assets	-	-	-	-
	4. Employee Contribution	-	-	-	-

Sl. No.	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	
		Funded	Non-funded	Funded	Non-funded
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	5. Actuarial (Gains)/Losses	-	-	-	-
	6. Past Service Cost	-	-	-	-
	7. Settlement Cost	-	-	-	-
	8. Total Expenses	25,087	10,895	-	-
II	Net Asset/ (Liability) recognized in the Balance Sheet as at 31 st March 2012.	-	-	-	-
	1. Present Value of Defined Benefit Obligation.	25087	10895	-	-
	2. Fair Value of Plan Assets	-	-	-	-
	3. Funded Status [Surplus(Deficit)]	-	-	-	-
	4. Net Asset/(Liability) as at 31 st March, 2012.	25087	10895	-	-
III	Change in Obligation during the Year ended 31 st March, 2012.	-	-	-	-
	1. Present value of Defined Benefit Obligation at the beginning of the year.	-	-	-	-
	2. Current Service Cost.	25,087	10,895		
	3. Interest Cost	-	-	-	-
	4. Settlement Cost	-	-	-	-

(In ₹)

Sl. No.	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	
		Funded	Non-funded	Funded	Non-funded
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	5. Past Service Cost	-	-	-	-
	6. Employee Contributions	-	-	-	-
	7. Actuarial (Gains)/ Losses	-	-	-	-
	8. Benefit Payments	-	-	-	-
	9. Present Value of Defined Benefit Obligation at the end of the year.	25,087	10,895	-	-
IV	Change in Assets during the Year ended 31 st March, 2012.	-	-	-	-
	1. Plan Assets at the beginning of the year.	-	-	-	-
	2. Assets acquired on amalgamation in previous year.	-	-	-	-
	3. Settlements	-	-	-	-
	4. Expected return on Plan Assets	-	-	-	-
	5. Contribution by Employer	-	-	-	-
	6. Actual Benefit Paid	-	-	-	-
	7. Actuarial Gains/ (Losses)	-	-	-	-
	8. Plan Assets at the end of the year.	-	-	-	-
	9. Actual Return on Plan Assets	-	-	-	-
V	Estimated amount of contribution in the immediate next year	25,087	10,895	-	-

Actuarial Assumptions:

Year Ended 2011-12

Year Ended 2010-11

(i)	Discount Rate	8.50%	-
(ii)	Mortality	LIC [1994-96]	-
(iii)	Turnover Rate:		
(iv)	Future Salary Increase		-
	Up to 30 Years	3%	-
	From 31 to 44 years	2%	-
	Above 44 years	1%	-
(iv)	Future Salary Increase	8.50%	-

Note 15.

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)

(in ₹)

SI No.	Particulars	Figures as 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 16.

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

(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
[a] Net Profit/(Loss) for Basic Earnings Per Share as per Profit & Loss Account	-	(203,603)
[b] No. of Equity Shares	50000	50000
[c] Basic Earnings Per Share	-	(4.07)
[d] Face Value Per Share	10	10

Note 17. Payment to Auditors

(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
- As Audit Fees	112,360	110,300

Note 18.

Contingent Liabilities not provided for in the books- NIL

Note 19.

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 20.

Expenditure in foreign currency -NIL

Note 21.

Previous year figures have been regrouped wherever necessary to conform to revised schedule VI requirements .

Note 22.

All the figures have been rounded off to nearest rupee.

For R. NAGPAL ASSOCIATES **For and on Behalf of the Board of Directors of**
Chartered Accountants **Jaypee Meghalaya Power Limited**
Firm Registration No.: 002626N

R. Nagpal **Suren Jain** **Pankaj Gaur**
Partner Director Director
M.No.81594

Place : Noida
Date : 12.05.2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(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
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and prior period items	-	(203,603.00)
Adjustment for:		
Depreciation and amortisation	-	203,603.00
Operating profit before working capital changes	-	-
Adjustment for:		
Increase/ (Decrease) in Current and Non-Current liabilities	9,591,122	312,842
Increase/ (Decrease) in loans and advances	(492,220)	(1,720,364)
Cash from operations	9,098,902	(1,407,522)
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities	9,098,902	(1,407,522)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets (including capital work in progress)	(31,452,942)	(41,167,960)
Net cash used in investing activities	(31,452,942)	(41,167,960)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share capital/Proceeds from receipt of Share application Money pending for allotment	17,000,000	49,500,000
Proceeds from issue of shares	-	500,000
Share Issue Expenditure	-	(203,603)
Net cash flow from financing activities	17,000,000	49,796,397
Net (decrease)/ Increase in cash and cash equivalents (A+B+C)	(5,354,040)	7,220,915
Cash and cash equivalents at the beginning	7,220,915	-
Cash and cash equivalents at the close	1,866,875	7,220,915
Net (decrease)/ Increase in cash and cash equivalents	(5,354,040)	7,220,915
Notes		
1 Cash and bank balance (as per Note 10 to the Financial Statements)	1,866,875	7,220,915

As per our report of even date

For R. NAGPAL ASSOCIATES **For and on Behalf of the Board of Directors of**
Chartered Accountants **Jaypee Meghalaya Power Limited**
Firm Registration No.: 002626N

R. Nagpal **Suren Jain** **Pankaj Gaur**
Partner Director Director
M.No.81594

Place : Noida
Date : 12.05.2012