

DIRECTORS' REPORT

**To,
The Members**

The Directors of the Company have pleasure in presenting the **Sixth Annual Report** together with the Audited Accounts of the Company for the year ended 31st March 2014.

PHYSICAL PROGRESS ON THE PROJECTS

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

For 2700 MW Lower Siang Hydro-Electric Project, Central Electricity Authority (CEA) approval was obtained in February, 2010 and revalidation of DPR is being in process with CEA. Land acquisition is in progress.

In-principle Approval has been granted and Power Purchase Agreements (PPAs) are to be submitted for final approval with respect to the grant of Mega Power status of the Project. Draft Rehabilitation & Resettlement Plan has been submitted to the State Government.

For 500 MW Hironig Hydro-electric Project, CEA has accorded Techno-economic concurrence on 10th April, 2013. For the Environmental/Forest Clearance of the Project, the EIA & EMP Report has been submitted to MoEF.

An aggregate amount of approx. Rs. 228 crore has been spent on the Projects upto 31st March, 2014.

S. U. Sharma

SHARE CAPITAL

During the year, your Company allotted 11% non-cumulative, optionally convertible between 3 months to 5 years 2,80,000 (Two Lac Eighty Thousand) Preference Shares of Rs. 10/- each aggregating to Rs. 28,00,000/- (Rupees Twenty Eight Lac) to Jaiprakash Power Ventures Limited, the Holding Company. Accordingly, the Paid-up Share Capital of the Company has been increased from Rs. 227.95 crore (Two Hundred Twenty Seven Crore, Ninety Five Lac only) to Rs. 228.23 crore (Two Hundred Twenty Eight Crore, Twenty Three Lac only).

DIRECTORATE

Shri Naveen Kumar Singh and S.D. Nailwal, Directors shall retire by rotation and, being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit Committee constituted by the Board, consisting of Shri Sunil Kumar Sharma, Chairman, Shri S.D. Nailwal and Shri Harish K. Vaid as Members meets the requirement of Section 292A of the Companies Act, 1956.

AUDITORS

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

As required under Section 139 of the Companies Act, 2013, the Statutory Auditors have provided their written consent to act as the Statutory Auditors of the Company and a Certificate that the re-appointment, if made, shall be in accordance with the conditions as prescribed under Section 141 of the Companies Act, 2013 and they fulfill the criteria laid down in the said Section.

S.D. Nailwal

FIXED DEPOSITS

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

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management and after due enquiry, confirm in respect of the Audited Annual Accounts for the year ended 31st March, 2014:

- i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that there were no material departures;
- ii) that the Directors had, in consultation with the Statutory Auditors, selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2014 and the profit of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors had prepared the Annual Accounts on a going-concern basis.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 there is no Employee who comes under the purview of the aforesaid Section read with the aforesaid Rules.

S. K. Sharma

**CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE
EARNINGS AND OUTGO**

The provisions of Section 217(1)(e) of the Companies Act, 1956 read with (Particulars of Employees) Rules, 1975 as amended vide Companies (Particulars of Employees) (Amendment) Rules, 2011 are not applicable to your Company.

Further, there had been no Foreign Exchange Earnings and outgo during the year under review.

NOTES ON ACCOUNTS

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

ACKNOWLEDGEMENT

The Directors of your Company wish to thank the Government of India, Government of Arunachal Pradesh, Central Electricity Authority and other Departments/ Authorities of the Central and the State Governments for their valuable support and continued co-operation to the Company.

On Behalf of the Board



Place: Noida
Date: 28th April, 2014

Sunil Kumar Sharma
Director

Pankaj Gaur
Managing Director



R. NAGPAL ASSOCIATES
CHARTERED ACCOUNTANTS

B-1/1018, VASANT KUNJ,
NEW DELHI - 110 070
TELEPHONE : 41082626
FAX : 26148150
EMAIL : ravinagpal@vsnl.net
ravinagpal@rnaca.in

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
JAYPEE ARUNACHAL POWER LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **JAYPEE ARUNACHAL POWER LIMITED** which comprises the Balance Sheet as at 31st March, 2014 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with standards on auditing issued by the Institute of Chartered Accountants of India. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedure selected depend on the auditor's judgement including the assessment of the risk of material misstatements of the financial statements, whether due to fraud and error. In making those risk assessment, the auditor consider internal control relevant to the Companies preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014,
- ii) in the case of the Statement of Profit & Loss, of the Nil Profit of the Company for the year ended 31st March, 2014,
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31st March, 2014.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order') issued by the Central Government of India, in terms of Section 227(4-A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit & 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, Statement of Profit & Loss and Cash Flow Statement referred to in this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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


(CA R.NAGPAL)
Partner
M.No. 081594

Place : NOIDA
Dated : 28.04.2014

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 2014 of **JAYPEE ARUNACHAL POWER LIMITED**.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
 - (c) No Fixed assets have been disposed off during the year.
- (ii) (-) The Inventory has been physically verified by the management at reasonable intervals during the period.
 - (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (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 Act, 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 amounting to Rs. 1.46 Crores raised on short term basis have been used for long term investment..
- (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. 081594

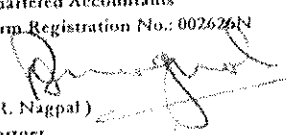

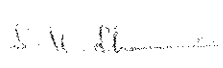
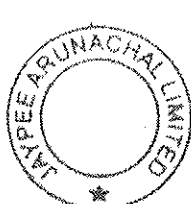
Place : NOIDA
Dated : 28.04.2014

JAYPEE ARUNACHAL POWER LIMITED

BALANCE SHEET AS AT 31.03.2014

JAYPEE ARUNACHAL POWER LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

Amount in ₹

PARTICULARS	Note No.	Figures as at the end of current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds	3	2,282,300,000	2,279,500,000
(a) Share Capital	4	(22,543,166)	(22,543,166)
(b) Reserves and Surplus			
(c) Money received against share warrants			
(2) Share application money pending allotment			
(3) Non Current Liabilities	5		
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long-term liabilities		20,174	89,460
(d) Long-term provisions		20,174	89,460
(4) Current Liabilities	6		
(a) Short-term borrowings		-	-
(b) Trade payables		18,504,339	29,907,569
(c) Other current liabilities		13,196	654
(d) Short-term provisions		3,060	38,476
TOTAL		2,278,297,603	2,286,992,993
II. ASSETS			
(1) Non-current assets	7		
(a) Fixed assets			
(i) Tangible assets		36,717,360	38,986,886
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		2,202,609,576	2,206,787,696
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	8	34,878,526	35,444,526
(e) Other non-current assets	9	147,408	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	10	2,941,981	2,941,981
(c) Trade receivables		-	-
(d) Cash and cash equivalents	11	374,768	2,001,536
(e) Short-term loans and advances	12	621,329	675,791
(f) Other current assets	13	6,655	154,577
TOTAL		2,278,297,603	2,286,992,993
Summary of Significant Accounting Policies		2.2	
Note Nos. 1 to 23 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	
 (R. Nagpal) Partner M.No.81594		 (Pankaj Gaur) Managing Director	
		 (Sunil Kumar Sharma) Director	
			
Place : Noida			
Date : 28.04.2014			


JAYPEE ARUNACHAL POWER LIMITED
STATEMENT OF PROFIT AND LOSS
for the year ended 31st March 2014

Amount in ₹

Particulars	Note No.	Figures for the current reporting period, March 31, 2014	Figures for the previous reporting period, March 31, 2013
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		-	-
Other expenses		-	-
Total expenses		-	-
V. Profit before exceptional and extraordinary items and tax (III -IV)		-	-
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V -VI)		-	-
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		-	-
X. Tax Expense :			
(i) Current tax		-	-
(ii) Deferred tax		-	-
XI. Profit/(loss) from continuing operations (IX-X)		-	-
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)		-	-
XVI. Earnings per equity share :			
(i) Basic		-	-
(ii) Diluted		-	-


Summary of Significant Accounting Policies 2.2
Note Nos. 1 to 23 are Integral part of the Financial Statements


As per our report of even date

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

(R. Nagpal)
Partner
M.No.81594



For and on Behalf of the Board


(Pankaj Gaur)
Managing Director


(Sunil Kumar Sharma)
Director

Place : Noida
Date : 28.04.2014

JAYPEE ARUNACHAL POWER LIMITED

Cash Flow Statement for the year ended March 31, 2014

Amount in ₹

PARTICULARS	Figures for the current reporting period, March 31, 2014	Figures for the previous reporting period, March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and prior period items	-	-
Adjustment for:		
Depreciation and amortisation	-	-
Operating profit before working capital changes	-	-
Adjustment for:		
Increase/ (Decrease) in Current liabilities	(11,390,688)	(13,668,728)
Increase/ (Decrease) in Long-term and Short-term provisions	(104,702)	(2,254,567)
(Increase)/ Decrease in Loans and Advances	620,462	277,034
(Increase)/ Decrease in Inventory	-	(354,836)
(Increase)/ Decrease in Other Current Assets	147,922	790,546
Cash from operations	(10,727,006)	(15,210,551)
Direct taxes paid (net of refunds)	(10,727,006)	(15,210,551)
Net cash flow from operating activities		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets (including capital work in progress)	6,447,646	(25,631,941)
Proceeds from sale of fixed assets	-	-
Net cash used in investing activities	6,447,646	(25,631,941)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	2,800,000	39,500,000
Net cash flow from financing activities	2,800,000	39,500,000
Net (decrease)/ Increase in cash and cash equivalents (A+B+C)	(1,479,360)	(1,342,492)
Cash and cash equivalents at the beginning of the year	2,001,536	3,344,028
Cash and cash equivalents at the end of the year	374,768	2,001,536
Net (decrease)/ Increase in cash and cash equivalents	(1,626,768)	(1,342,492)

Note

1 Cash and cash equivalents (as per Note 11 to the Financial Statements)

374,768

2,001,536

2 The Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS-3), 'Cash Flow Statements'.

As per our report of even date

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


(R. Nagpal)
Partner

M.No.81594

Place : Noida

Date : 28.04.2014

For and on Behalf of the Board


(Pankaj Gaur)
Managing Director


(Sunil Kumar Sharma)
Director



JAYPEE ARUNACHAL POWER LIMITED

Notes to the financial statements for the year ended March 31, 2014

Note 1. Corporate Information

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

The financial statements are based on the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP), comprising of mandatory Accounting Standard notified in Section 211 (3C) and other provisions of the Companies Act, 1956 read together with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

2.2 Summary of significant accounting policies

(a) Revenue Recognition:

Expenditure and Income are accounted for on accrual basis.

(b) Fixed Assets

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

(c) Depreciation

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

(d) Retirement & Other Employee Benefits

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

(e) Preliminary Expenditure

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

(f) Inventories

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



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(g) Borrowing Costs

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

(h) Taxes on Income

Current Tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year. Deferred Tax Assets and Deferred Tax Liabilities are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet Date.

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

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

(j) Earning Per Share

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

(k) Impairment of Assets

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

(l) Intangible Assets

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

(m) Amortization of Lease Hold Land

Lease hold land is being amortized over the lease period.

(n) Foreign Currency Transactions:

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



Signature
S. K. Sharma

JAYPEE ARUNACHAL POWER LIMITED

Notes to the financial statements for the year ended March 31, 2014

Note 3. SHARE CAPITAL

Particulars	Figures as at the end of current reporting period, March 31, 2014		Figures as at the end of previous reporting period, March 31, 2013	
	No of shares	In ₹	No of shares	In ₹
Authorised Share Capital				
Equity share of Rs. 10 each	1,800,000,000	18,000,000,000	1,800,000,000	18,000,000,000
Preference share of Rs. 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Total	2,000,000,000	20,000,000,000	2,000,000,000	20,000,000,000
Issued, Subscribed and Paid-up Share Capital				
Equity share of Rs. 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
11% Non-Cumulative, Optionally Convertible Preference Share of Rs. 10 each	28,230,000	282,300,000	27,950,000	279,500,000
Total	228,230,000	2,282,300,000	227,950,000	2,279,500,000

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

Particulars	Figures as at the end of current reporting period, March 31, 2014		Figures as at the end of previous reporting period, March 31, 2013	
	No of shares	In ₹	No of shares	In ₹
Equity Shares				
At the beginning of the year	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Preference Shares				
At the beginning of the year	27,950,000	279,500,000	27,950,000	279,500,000
Issued during the year	280,000	2,800,000	-	-
Outstanding at the end of the year	28,230,000	282,300,000	27,950,000	279,500,000
Total	228,230,000	2,282,300,000	227,950,000	2,279,500,000

(b) Terms/ rights attached to shares

Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and dividend as proposed by the board of directors which is subject to approval of the shareholders in the ensuing Annual General Meeting.

Preference Shares

The Preference Shares of the company are Non-Cumulative Optionally Convertible Preference Shares having a par value of Rs. 10 per share. Each holder of preference shares is entitled to dividend at the rate of 11% p.a. when declared by the company.

(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, 2014		Figures as at the end of previous reporting period, March 31, 2013	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs. 10 each fully paid up Jaiprakash Power Ventures Limited- Holding Co.	200,000,000	100	200,000,000	100
Preference shares of Rs. 10 each fully paid up Jaiprakash Power Ventures Limited- Holding Co.	28,230,000	100	27,950,000	100
Total	228,230,000		227,950,000	

(d) Out of the above issued and subscribed capital, 200,000,000 Equity Shares and 28,230,000 Preference Shares, being 100%, are held by Jaiprakash Power Ventures Ltd., the holding company.

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



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Note 4. RESERVES AND SURPLUS

PARTICULARS	Figures as at the end of current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
Surplus		
Opening Balance	(22,543,166)	(22,543,166)
Add : Profit After Tax during the year	-	-
Total	(22,543,166)	(22,543,166)

Note "5" - NON-CURRENT LIABILITIES

PARTICULARS	Figures as at the end of current reporting period, March 31, 2013	Figures as at the end of previous reporting period, March 31, 2013
(a) Long-term borrowings	-	-
(b) Deferred tax liabilities (Net)	-	-
(c) Other Long-term liabilities	-	-
(d) Long-term provisions		
Provision for employee benefits:		45,188
- Provision for gratuity	20,174	44,272
- Provision for leave benefits	-	-
Total	20,174	89,460

Note "6" - CURRENT LIABILITIES

PARTICULARS	Figures as at the end of Current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
(a) Short-term borrowings		
(b) Trade payables (Refer Note 16 for details of dues to micro and small enterprises)		
- Related Parties	16,317,500	22,715,606
- Others	2,186,839	7,191,963
Total	18,504,339	29,907,569
(c) Other current liabilities		
Others:		654
TDS payable	13,196	654
Total	13,196	654
(d) Short-term provisions		
Provision for employee benefits:		19,724
- Provision for gratuity	1,289	12,241
- Provision for leave benefits	1,771	6,511
- Provident Fund	-	-
Total	3,060	38,476



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JAYPEERUNACHAL POWER LIMITED

NOTE 7. FIXED ASSETS.

(i) Tangible assets

S. No.	Description	Gross carrying amount				Accumulated depreciation / impairment				Net carrying amount	
		As at March 31, 2013		As at March 31, 2014		As at March 31, 2014		As at March 31, 2014		As at March 31, 2013	
		As at March 31, 2013	Additions / adjustments during the year	Deletions during the year	As at March 31, 2014	As at March 31, 2013	Charged during the year	Deductions during the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
1	Land	225,957	-	-	225,957	32,849	10,118	-	42,967	182,990	193,108
2	Buildings	16,211,179	-	-	16,211,179	317,303	264,242	-	581,545	15,629,634	15,893,876
3	Plant & Equipment	2,910,884	-	-	2,910,884	542,506	138,287	-	680,773	2,230,111	2,368,378
4	Furniture & Fixtures	373,956	-	-	373,956	66,378	23,550	-	89,928	284,028	307,578
5	Vehicles	10,000,310	-	-	10,000,310	3,222,304	950,029	-	4,172,333	5,827,977	6,778,006
6	Office Equipments	11,261,818	-	-	11,261,818	1,263,553	531,846	-	1,795,399	9,466,420	9,998,266
7	Computers	1,630,905	-	-	1,630,905	708,386	263,235	-	971,621	659,284	922,519
8	Boats	2,641,890	-	-	2,641,890	116,735	88,239	-	204,974	2,436,916	2,525,155
	Total	45,256,900	-	-	45,256,900	6,270,014	2,269,326	-	8,539,340	36,717,560	38,986,886
	Previous Year	45,256,900	-	-	45,256,900	4,000,470	2,269,544	-	6,270,014	38,986,886	-

(ii) Intangible assets

NOTE 7(iii).

**CAPITAL WORK-IN-PROGRESS AND INCIDENTAL EXPENDITURE DURING
CONSTRUCTION PENDING ALLOCATION**

Amount in ₹

Sr. No.	Particulars	Figures for the current reporting period, March 31, 2014	Figures for the previous reporting period, March 31, 2013
A.	Direct cost of project under construction		
	Opening Balance	-	-
	Add: Addition during the year	-	-
	Less: Capitalisation during the year	-	-
	Balance Capital Work-in-Progress (A)	-	-
B.	Incidental Expenditure During Construction		
	Opening Balance	2,206,787,696	2,178,886,211
	Less: Recoveries from Previous Year	(10,977,038)	-
	Add: Addition during the year		
	Employee Benefit Expense		
	Salary, Wages, Bonus and other benefits	698,780	7,570,424
	Staff Welfare	19,100	851,497
	Car Hire	15,404	41,029
	Provident Fund, ESI & Admin Charges	34,419	1,061,345
	Depreciation and amortization expenses		
		2,269,526	2,269,544
	Other Expenses		
	Power & Electricity Charges	42,994	164,507
	Rent	226,357	2,071,968
	Repair & Maintenance (Plant & Machinery)	-	224,693
	Insurance charges	101,194	609,056
	Rates & Taxes	17,500	127,670
	Miscellaneous Exp	736,575	372,003
	Repair & Maintenance Camp	37,726	4,534,991
	Consultancy Charge	2,335,051	-
	Freight & Octroi Charges	-	895,360
	Rural Development Expenses	-	1,159,739
	Survey Works Expenses	43,333	416,462
	Hire Charges	-	-
	Network Expense	2,540	434,430
	Printing, Stationery & Computer Expenses	9,198	27,572
	Telephone Expenses	41,669	149,614
	Travelling Expenses	68,810	3,519,851
	Vehicle Running & Maintenance	-	1,298,444
	Auditor Remuneration (Refer Note 18)		
	- Audit Fee	112,360	112,360
	- Reimbursement of Expenses	250	-
	Less: Interest Earned on Deposit	(13,868)	(11,074)
	Amount Carried Forward (A+B)	2,202,609,576	2,206,787,696



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Note 8. LONG TERM LOANS AND ADVANCES

PARTICULARS	Figures as at the end of current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	1,278,526	1,844,526
Other Loans & Advances		
Secured, considered good		
Unsecured, considered good:		
Advance to Govt. of Arunachal Pradesh	33,600,000	33,600,000
TOTAL	34,878,526	35,444,526

Note 9. OTHER NON-CURRENT ASSETS

PARTICULARS	Figures as at the end of current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
Other Bank Balances (Refer Note 11)	147,408	-
TOTAL	147,408	-

Note 10. INVENTORIES

PARTICULARS	Figures as at the end of current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
Stores and Spares (at weighted average cost)	2,941,981	2,941,981
TOTAL	2,941,981	2,941,981

Note 11. CASH AND BANK BALANCES

PARTICULARS	Figures as at the end of Current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
A) Cash and Cash Equivalents		
Cash on hand	96,597	763,078
Balances with Banks in		
- Current Account	278,171	1,138,458
	374,768	1,901,536
B) Other Bank Balances		
Deposit with Banks for more than 3 months but less than 12 months	-	100,000
Deposit for more than 12 months (Long Term Deposit)	147,408	-
	147,408	100,000
C) Amount disclosed under "OTHER NON-CURRENT ASSETS" (Refer Note 9)		
Deposit for more than 12 months (Long Term Deposit)	147,408	-
Total (A+B-C)	374,768	2,001,536

Note 12. SHORT TERM LOANS AND ADVANCES

PARTICULARS	Figures as at the end of current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
Loans and Advances to Others		
Unsecured, considered good		
Staff Imprest & Advance	101,412	293,761
Advance Tax & TDS	4,731	-
Imprest - Others		137,903
Advances recoverable in cash or in kind or for value to be received	515,186	244,127
TOTAL	621,329	675,791

Note 13. OTHER CURRENT ASSETS

PARTICULARS	Figures as at the end of current reporting period, March 31, 2014	Figures as at the end of previous reporting period, March 31, 2013
Interest accrued on FDR with Banks	3,090	41,361
Prepaid Expenses	3,565	113,216
TOTAL	6,655	154,577



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JAYPEE ARUNACHAL POWER LIMITED

Note 14. Related Party Disclosures as required in terms of "Accounting Standard[AS] – 18" are given below:

Relationships:

(a) Holding Company

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

(b) Fellow Subsidiary Companies :-

- 1 Jaypee Powergrid Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 2 Sangam Power Generation Company Limited(subsidiary of Jaiprakash Power Ventures Limited)
- 3 Prayagraj Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited)
- 4 Jaypee Meghalaya Power Limited(Joint Venture subsidiary of Jaiprakash Power Ventures Limited)
- 5 Himachal Baspa Power Company Limited (w.e.f. 14.03.2014)
- 6 Himachal Karcham Power Company Limited (w.e.f. 14.03.2014)
- 7 Jaypee Ganga Infrastrusture Corporation Limited
- 8 Himalyan Expressway Limited
- 9 Jaypee Infratech Limited
- 10 Jaypee Sports International Limited
- 11 Bhilai Jaypee Cement Limited
- 12 Bokaro Jaypee Cement Limited
- 13 Gujarat Jaypee Cement and Infrastructure Limited
- 14 Jaypee Agra Vikas Limited
- 15 Jaypee Fertilizers & Industries Limited
- 16 Jaypee Uttar Bharat Vikas Private Limited. (w.e.f. 12.09.2013)
- 17 Kanpur Fertilizers & Cement Limited (subsidiary of Jaypee Uttar Bharat Vikas Private Limited).(w.e.f. 12.09.2013)
- 18 Jaypee Cement Corporation Limited
- 19 Jaypee Assam Cement Limited
- 20 Himalayaputra Aviation Limited
- 21 Jaypee Healthcare Limited (w.e.f. 30.10.2012)
- 22 Jaypee Cement Cricket (India) Limited (w.e.f. 20.10.2012)
- 23 Jaypee Cement Hockey (India) Limited (w.e.f. 05.11.2012)
- 24 Jaiprakash Agri Initiatives Company Limited (subsidiary of Jaypee Cement Corporation Limited w.e.f 25.03.2013)

(c) Associate Companies:

- 1 Jaypee Infra Ventures (A Private Company with unlimited liability)
- 2 Jaypee Development Corporation Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability).
- 3 JIL Information Technology Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability).
- 4 Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- 5 Indesign Enterprises Private Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- 6 Andhra Cement Limited (subsidiary of Jaypee Development Corporation Limited)
- 7 Jaypee International Logistics Company Private Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- 8 Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- 9 Anvi Hotels Private Limited Subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)
- 10 RPJ Minerals Private Limited
- 11 Sonbhadra Minerals Private Limited
- 12 Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited)
- 13 Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- 14 MP Jaypee Coal Limited
- 15 MP Jaypee Coal Fields Limited
- 16 Madhya Pradesh Jaypee Minerals Limited
- 17 Jaiprakash Kashmir Energy Limited

(d) Key Management Personnel:

Shri Pankaj Gaur

Managing Director



Shri Pankaj Gaur

ARUNACHAL POWER LIMITED

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

(Amount in ₹)

Description	Holding Company		Fellow Subsidiary Companies		Associate Companies		Key Management Personnel:	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Transactions during the year ended								
Share Capital	2,800,000	39,500,000	-	-	-	-	-	-
Expenditure								
For services	-	-	-	-	-	-	-	-
Advertisement Expenses	-	-	-	-	-	-	-	-
Consultancy Charges	-	-	-	-	-	-	-	-
Balance as at: end of the year	(260,393)	6,398,106	-	-	16,317,500	16,317,500	-	-
Amount Payable/(Receivable)								



S. K. Sharma

JAYPEE ARUNACHAL POWER LIMITED

Note 15. (a) Provident Fund-Defined Contribution Plan:

All employees are entitled to Provident Fund benefits. Amounts debited to Capital works in progress is ₹ 30,574/- (Previous year ₹ 10,45,358) during the Period.

(b) Gratuity

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

(c) Leave Encashment -Defined Benefit Plans -

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

(Amount in ₹)

Sl.No.	Particulars	Figures as at the end of current reporting period, March 31, 2014		Figures as at the end of previous reporting period, March 31, 2013	
		Funded Gratuity	Non-funded Leave Encashment	Funded Gratuity	Non-funded Leave Encashment
I	Expenses recognized in the Statement of Incidental Expenditure During Project Implementation, Pending Allocation for the Year ended March 31, 2014.				
	1. Current Service Cost.	5,288	7,232	25,968	16,292
	2. Interest Cost	9,293	4,804	121,045	79,712
	3. Expected Return on Plan Assets	(4,131)	-	(15,541)	-
	4. Employee Contribution	-	-	-	-
	5. Actuarial (Gains)/Losses	(107,758)	20,939	(1,323,513)	(223,294)
	6. Past Service Cost	-	-	-	-
	7. Settlement Cost	-	-	-	-
	8. Total Expenses	(97,308)	32,975	(1,192,041)	(127,290)
II	Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2014.				
	1. Present Value of Defined Benefit Obligation.	15,969	21,463	109,333	56,513
	2. Fair Value of Plan Assets	48,365	-	44,421	-
	3. Funded Status [Surplus(Deficit)]	32,396	(21,463)	(64,912)	(56,513)
	4. Net Asset/(Liability) as at March 31, 2013.	32,396	(21,463)	(64,912)	(56,513)
III	Change in Obligation during the Year ended March 31, 2014.				
	1. Present value of Defined Benefit Obligation at the beginning of the year.	109,333	56,513	1,424,056	937,794
	2. Current Service Cost.	5,288	7,232	25,968	16,292
	3. Interest Cost	9,293	4,804	121,045	79,712
	4. Settlement Cost	-	-	-	-
	5. Past Service Cost	-	-	-	-
	6. Employee Contributions	(107,945)	20,939	(1,330,467)	(223,294)
	7. Actuarial (Gains)/Losses	-	(68,025)	(131,269)	(753,991)
	8. Benefit Payments	-	-	-	-
	9. Present Value of Defined Benefit Obligation at the end of the year.	15,969	21,463	109,333	56,513
IV	Change in Assets during the Year ended March 31, 2014.				
	1. Plan Assets at the beginning of the year.	44,421	-	167,103	-
	2. Assets acquired on amalgamation in previous year.	-	-	-	-
	3. Settlements	4,131	-	15,541	-
	4. Expected return on Plan Assets	-	-	-	-
	5. Contribution by Employer	-	-	(131,269)	-
	6. Actual Benefit Paid	(187)	-	(6,954)	-
	7. Actuarial Gains/ (Losses)	48,365	-	44,421	-
	8. Plan Assets at the end of the year.	3,944	-	8,587	-
	9. Actual Return on Plan Assets	-	-	-	-



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V	Estimated amount of contribution in the immediate next year	3,956	8,090	45,937	25,689
VI	Major categories of plan assets (as percentage of total plan assets)				
	1. Funds Managed by Insurer	100%	-	100%	-
VII	Actuarial Assumptions:	8.50%	8.50%	8.50%	8.50%
	1. Discount Rate	IALM (2006-08)		IALM (1994-96)	
	2. Mortality Table				
	3. Turnover Rate:				
	Up to 30 Years	2%	2%	2%	2%
	From 31 to 44 years	5%	5%	5%	5%
	Above 44 years	3%	3%	3%	3%
	4. Future Salary Increase	6.00%	6.00%	6.00%	6.00%
	5. Expected Rate of return on plan assets	9.30%	-	9.30%	-

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Gratuity- Funded					
a) Present Value of Defined benefit obligation	15,969	109,333	1,424,056	1,195,814	584,848
b) Fair value of Plan Assets	48,365	44,421	167,103	342,807	14,139
c) Surplus/(Deficit) in the plan	32,396	(64,912)	(1,256,953)	(853,007)	(570,709)
d) Experience gain/(loss) adjustments:					
On Plan PBO	107,931	1,307,354	187,355	59,887	(160,579)
On Plan Assets	(187)	(6,954)	(5,676)	369	-
Leave Encashment-Non Funded					
a) Present Value of Defined benefit obligation	21,463	56,513	937,794	1,067,665	502,409
b) Fair value of Plan Assets	-	-	-	-	-
c) Surplus/(Deficit) in the plan	(21,463)	(56,513)	(937,794)	(1,067,665)	(502,409)
d) Experience gain/(loss) adjustments:					
On Plan PBO	(20,956)	214,752	582,695	122,116	81,180
On Plan Assets	-	-	-	-	-

Note 16 . 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)

Sl No.	Particulars	Figures as at the end of current reporting period, March 31, 2014	Figures as the end of previous reporting period, March 31, 2013
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	-Principal Amount	Nil	Nil
	-Interest Amount	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



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Note 17. Earnings Per Share is computed in accordance with Accounting Standard -- 20 issued by the Institute of Chartered Accountants of India.

PARTICULARS		Figures for the current reporting period, March 31, 2014	Figures for the previous reporting period, March 31, 2013
[a]	Net Profit/(Loss) for Basic Earnings Per Share as per Profit & Loss Account	-	-
[b]	No. of Equity Shares	200,000,000	200,000,000
[c]	Basic Earnings Per Share	-	-
[d]	Face Value Per Share	10	10

Note 18. Payment to Auditors (including Service Tax)

PARTICULARS	Figures for the current reporting period, March 31, 2014	Figures for the previous reporting period, March 31, 2013
- As Audit Fees	112,360	112,360
- Reimbursement of Expenses	250	-

Note 19. Expenditure in foreign currency

PARTICULARS	Figures for the current reporting period, March 31, 2014	Figures for the previous reporting period, March 31, 2013
- Capital Equipment	-	-

Note 20. Contingent Liabilities not provided for in the books- NIL. (Previous year nil)

Note 21. 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 22. Previous year figures have been regrouped, rearranged wherever necessary to conform to Current Year requirements.

Note 23. All the figures have been rounded off to nearest rupee.

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

(R. Nagpal)
Partner
M.No.81594



For and on Behalf of the Board

(Pankaj Gaur)
Managing Director

(Sunil Kumar Sharma)
Director

Place : Noida
Date : 28.04.2014