

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
JAYPEE POWERGRID LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **JAYPEE POWERGRID LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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.

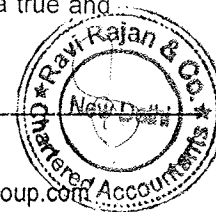
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 to the best of our information and according to the explanation 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:




- (a) In the case of balance sheet of the state of affairs of the company as at March 31, 2016;
- (b) In the case of statement of Profit & Loss, of the profit of the company for the year ended on that date;
- (c) In the case of cash flow statement, of the cash flow of the company for the year ended on that date

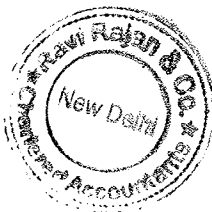
Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "ANNEXURE I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 II".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The company has disclosed the impact of pending litigations on its financial position in its financial statements, refer note 2.22 in the financial statements.
 - II. There are no amounts that were due for being transferred to the Investor Education and Protection Fund by the Company.

**For Ravi Rajan & Co.
Chartered Accountants**

Firm Registration No – 009073N


**(Shivani Bhardwaj)
Partner
M.No - 503875**



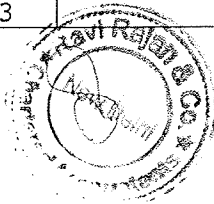
**Place – Gurgaon
Date – 25 May, 2016.**

ANNEXURE I referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **JAYPEE POWERGRID LIMITED** on the accounts of the Company for the year ended 31st March 2016.

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
 (c) According to the information and explanation given to us on the basis of our examination of records of the company the title deeds of immovable properties are held in the name of the company.
- (ii) The company is a service company primarily rendering electricity transmission services. Accordingly, it does not hold any physical inventories. The paragraph 3 (ii) of the order is not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In Our opinion and according to information and explanation given to us and on the basis of examination of records of the company, the company has not made any loans and investments which are covered under section 185 and 186 of the act.
- (v) The company has not accepted the deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under.
- (vi) According to the information and explanations given to us, cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013 are being made and maintained.
- (vii) (a) As per the examination of records of the company and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax/ Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable.
 (b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Service Tax, Customs duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute. except for the following:


Name of Statute (Nature of dues)	AY	Forum where dispute is pending	
		Commissionerate	Appellate authorities Tribunal
Income Tax	2009-10	-	1,15,74,422-
	2009-10	-	64,780
	2010-11	19,51,344	-
	2011-12	45,20,420	-
	2012-13	25,41,270	-



- (viii) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debenture instruments) and term loan during the year. Accordingly Paragraph 3 (ix) of the order not applicable.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.
- (XI) According to information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (XII) In Our opinion and according to information and explanation given to us, the Company is not a nidhi company. Accordingly paragraph 3 (xii) of the order is not applicable.
- (XIII) According to the information and explanation given to us and based on our examination of the records of the company, Transaction with related party are in compliance with section 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 explanation given to us, based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- (XV) According to the information and explanation given to us, based on our examination of the records of the company, the company has not entered into non cash transactions with Directors or persons concerned with him. Accordingly paragraph 3 (xv) of the order is not applicable to the company.
- (XVI) The Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

**For Ravi Rajan & Co.
Chartered Accountants**

Firm Registration No – 009073N


**(Shivani Bhardwaj)
Partner
M.No - 503875**



**Place – Gurgaon
Date – 25 May, 2016.**

ANNEXURE II referred to in paragraph 2(f) under “Report on other legal and regulatory requirements” section of our report of even date to the members of **JAYPEE POWERGRID LIMITED** on the Internal Financial Controls referred under clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (“the Act”) for the year ended 31st March, 2016.

We have audited the internal financial controls over financial reporting of **JAYPEE POWERGRID LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility

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”. 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 authorizations of management and



directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 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 Ravi Rajan & Co.
Chartered Accountants**

Firm Registration No – 009073N


**(Shivani Bhardwaj)
Partner
M.No - 503875**


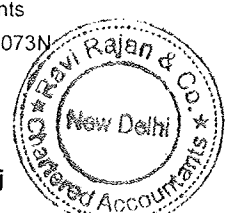

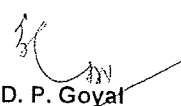

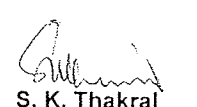


**Place – Gurgaon
Date – 25 May, 2016.**

JAYPEE POWERGRID LIMITED

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rs.)

S. No.	PARTICULARS	NOTE	AS AT 31/03/2016 RUPEES (Audited)	AS AT 31/03/2015 RUPEES (Audited)
I	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
(a)	Share Capital	2.1	3,000,000,000	3,000,000,000
(b)	Reserves and Surplus	2.2	509,084,437	456,701,415
(2)	Non-current Liabilities			
(a)	Long-Term Borrowings	2.3	4,243,422,960	4,834,736,000
(b)	Deferred Tax Liabilities (Net)	2.4	835,489,002	667,614,871
(c)	Long Term Provisions	2.5	1,430,284	1,464,376
(3)	Current Liabilities			
(a)	Short-term Borrowings	2.6	111,633,403	249,694,990
(b)	Trade Payables		-	-
(c)	Other Current Liabilities	2.7	599,949,157	643,118,791
(d)	Short-term Provisions	2.8	344,070,341	145,251,390
	TOTAL		9,645,079,584	9,998,581,833
II	ASSETS			
(1)	Non-current Assets			
(a)	Fixed assets			
(i)	Tangible assets	2.9	7,946,674,223	8,482,584,303
(ii)	Capital work-in-progress	2.10	-	-
(b)	Deferred Tax Assets (net)		-	-
(c)	Long-term Loans and advances	2.11	922,281,827	646,904,888
(2)	Current Assets			
(a)	Trade Receivable	2.12	442,497,788	442,765,711
(b)	Inventories		-	-
(c)	Cash and cash equivalents	2.13	47,257,112	145,087,329
(d)	Short-term loans and advances	2.14	455,994	415,713
(e)	Other current assets	2.15	285,912,640	280,823,889
	TOTAL		9,645,079,584	9,998,581,833
Accounting Policies and Notes to the Accounts		1 & 2		
<p>for Ravi Rajan & Co. Chartered Accountants Registration No. 009073N</p>  <p>Shivani Bhardwaj Partner Membership No. 503875</p> 		<p>For and on behalf of the Board</p>  <p>Suren Jain Director</p>	 <p>D. P. Goyal Managing Director & CEO</p>	
<p>Place : Gurugram Date : 25/05/2016</p>		 <p>Anita Rikhy General Manager & Company Secretary</p>	 <p>S. K. Thakral President & Chief Financial Officer</p>	

JAYPEE POWERGRID LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)

S. No.	Particulars	Note No.	Current Period 31/03/2016 (Audited)	Previous Period 31/03/2015 (Audited)
I.	Revenue from operations	2.16	1,722,541,605	1,954,723,143
II.	Other Income	2.17	26,048,482	45,120,031
III.	Total Revenue (I+II)		1,748,590,087	1,999,843,174
IV.	Expenses:			
	Employee benefits expenses	2.18	30,735,272	27,600,829
	Finance Cost	2.19	620,268,812	715,547,548
	Depreciation and amortization expense	2.9	531,136,991	527,676,749
	Transmission, Administration and other Expenses	2.20	62,724,802	45,873,692
	Total Expenses		1,244,865,877	1,316,698,818
V.	Profit before exceptional and extraordinary items and tax (III-IV)		503,724,210	683,144,356
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		503,724,210	683,144,356
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		503,724,210	683,144,356
X.	Tax Expense:			
	(1) Current Tax (MAT)		107,502,806	143,333,195
	Less :- MAT Credit Entitlement		107,502,806	143,333,195
			-	-
	(2) Deferred Tax		167,874,131	252,965,333
	Less :- Deferred Tax Recoverable		167,874,131	252,965,333
			-	-
XI.	Profit/(loss) after tax from continuing operations (IX-X)		503,724,210	683,144,356
XII.	Profit/(loss) after tax from discontinuing operations		-	-
XIII.	Tax expenses of discontinuing operations		-	-
XIV.	Profit/(loss) from discontinuing operation (after tax) (XII-XIII)		-	-
XV.	Profit/(loss) for the period (XI+XIV)		503,724,210	683,144,356
XVI.	Earning per equity share:			
	(1) Basic		1.68	2.28
	(2) Diluted		1.68	2.28
	Number of shares used in computing earnings per share			
	(1) Basic		300,000,000	300,000,000
	(2) Diluted		300,000,000	300,000,000

Accounting Policies and Notes to the Accounts

1 & 2

for Ravi Rajan & Co.

Chartered Accountants

Registration No. 009073N

Shivani Bhardwaj

Partner

Membership No. 503875



For and on behalf of the Board

Suren Jain

Director

D. P. Goyal

Managing Director & CEO

Anita Rikhy

General Manager &

Company Secretary

S. K. Thakral

President &

Chief Financial Officer

Place : Gurugram

Date : 25/05/2016

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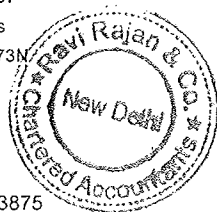
JAYPEE POWERGRID LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)

	2015-2016	2014-2015
A. Cash flow from operating activities		
Net Profit from Profit and Loss Statement	503,724,209	683,144,356
Add: 1) Preliminary Expenses Written off	-	-
2) Depreciation	531,136,991	527,676,749
3) Interest / Finance Cost	620,268,812	715,547,548
4) Interest Income	(15,026,953)	(22,804,763)
5) Provisions	(34,092)	245,285
Operating Profit before working capital changes	1,640,068,967	1,903,809,176
(Increase)/Decrease in Current Assets		
Inventories	-	-
Trade Receivables	267,923	(53,180,218)
Short Term Loans and Advances	(40,281)	6,780,657
Other Current Assets	(5,088,752)	(4,777,617)
Increase/(Decrease) in Current Liabilities		
Short Term Borrowings	(138,061,587)	249,694,990
Other Current Liabilities	(43,169,634)	(44,710,916)
Short Term Provisions	(35,878,467)	(113,890,581)
Income Tax Provision (MAT)	(107,502,806)	(143,333,195)
Net cash inflow from operating activities ----'A'	1,310,595,363	1,800,392,296
B. Cash flow from Investing activities		
Investment in Fixed Assets	4,773,090	(125,134,993)
Capital Work in Progress	-	50,681,261
Incidental Expenditure During Construction	-	-
(Increase)/Decrease in Loan and Advances and Others	-	-
Trade Payables	-	-
Net cash used in investing activities-----'B'	4,773,090	(74,453,732)
C. Cash flow from Financing activities		
<u>Inflow:</u>		
Increase in Share Capital	-	-
Increase/(Decrease) in Term Loans	(591,313,040)	(591,316,000)
Interest Income	15,026,953	(22,804,763)
<u>Outflow:</u>		
Finance Cost	(620,268,812)	(715,547,548)
Dividend Paid	(216,643,770)	(467,977,068)
Net cash in financing activities-----'C'	(1,413,198,669)	(1,797,645,379)
Net increase/(Decrease) in cash or cash equivalent (A+B+C)	(97,830,216)	(95,858,876)
Cash & cash equivalent at the commencement of the year (Opening balance)	145,087,329	240,946,205
Cash & cash equivalent at the end of the year (closing balance)	47,257,112	145,087,329


Accounting Policies and Notes to the Accounts 1 & 2
As per our report of even date attached to the Balance Sheet.

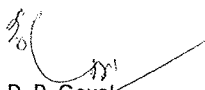
for Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N




Shivani Bharadwaj
Partner
Membership No. 503875

For and on behalf of the Board


Suren Jain
Director


D. P. Goyal
Managing Director & CEO


Anita Rikhy
General Manager &
Company Secretary


S. K. Thakral
President &
Chief Financial Officer

Place : Gurugram
Date : 25/05/2016

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JAYPEE POWERGRID LIMITED

Significant Accounting Policies and Notes on Accounts

Company Overview

Jaypee Powergrid Limited is a joint venture between Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro Power limited) and Power Grid Corporation of India Limited (POWERGRID). The joint venture is governed by the Shareholders' Agreement dated 22nd February, 2007, Deed of Adherence dated 24th December, 2007 and Supplementary Shareholders Agreement dated 25th March, 2010. The Company was incorporated for commissioning of 400kV Quad Bundle Conductor Double circuit transmission line from the pothead yard of Karcham Wangtoo HEP at Wangtoo to Abdullapur measuring 219.8 Km. and LILO of existing Baspa Jhakri double circuit line with powerhouse bus of Karcham Wangtoo HEP at Wangtoo measuring about 4 Kms.

1.0 Significant Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

1.2 Revenue Recognition

Revenue/Income and Cost/Expenditure are accounted for on accrual basis. Transmission Income is accounted for based on tariff order notified by the CERC. Difference, if any, is adjusted based on issuance of final notification of tariff order by CERC.

Surcharge/rebate received/paid from/to beneficiaries is accounted on receipt/payment basis and confirmation from Power Grid Corporation of India Ltd.

1.3 Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

1.4 Fixed Assets

- (i) Fixed Assets are stated at cost, less accumulated depreciation and impairment, if any. Cost include cost of acquisition/construction, freight, duties, taxes and other incidental expenses related thereto for bringing the assets to its working condition and ready for intended use.
- (ii) Transmission system assets are considered "Ready for intended use" for the purpose of capitalization, after test charging/successful commissioning of the system/assets and on completion of stabilization period.



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1.5 Depreciation

Depreciation on Transmission Lines & its elements and Intangible Assets are provided on straight-line method at the rates specified in norms by Central Electricity Regulatory Commission (CERC) for the purpose of recovery of tariff on pro-rata basis.

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

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

1.6 Capital Work in Progress (CWIP)

Capital work-in-progress comprises of the cost of fixed assets that are not ready for their intended use at the reporting date.

1.7 Employee Benefits

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

- (i) Provident Fund and Pension contribution—as a percentage of salary/wages is a defined Contribution Scheme as per Provision of Employees Provident Fund and miscellaneous Provisions Act, 1952.
- (ii) Gratuity and Leave Encashment is a Defined Benefit obligation. The liability is provided for on the basis of independent actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit Method.

1.8 Preliminary Expenses

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

1.9 Incidental Expenditure during Construction Period

Incidental Expenditure incurred on the projects/assets during construction/implementation is capitalized and apportioned to projects/assets on commissioning.

Interest during construction and other attributable "incidental expenditure pending allocation" are allocated to the asset/part of the asset being capitalized on pro-rata basis to their capital expenditure incurred.

1.10 Earnings per share

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.



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1.11 Borrowing Costs

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

1.12 Taxes on Income:

Current tax is determined as per the provisions of the Income Tax Act 1961 in respect of taxable income for the year and Wealth Tax Act 1957.

Deferred Tax Liability is computed as per Accounting Standard (AS-22). Deferred Tax Assets and Deferred Tax Liability are computed by applying tax rates and tax laws and CERC norms that have been enacted or substantively enacted by the Balance Sheet date.

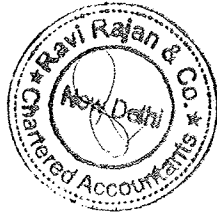
1.13 Impairment of Assets

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

Reversal of impairment loss is recognised immediately as income in the profit and loss accounts.

1.14 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements. The Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.



JAYPEE POWERGRID LIMITED
NOTES TO ACCOUNTS FOR THE PERIOD MARCH 31, 2016

NOTE 2.1	AS AT 31/03/2016	AS AT 31/03/2015
(Amount in Rs.)		
SHARE CAPITAL		
Authorised		
300,000,000 Equity Shares of Rs. 10 each	3,000,000,000	3,000,000,000
(Previous Year 300,000,000 Equity Shares of Rs. 10/- each)		
Issued, Subscribed and Paid up		
300,000,000 (Previous year 300,000,000) Equity Shares of Rs. 10/- each fully paid-up.	3,000,000,000	3,000,000,000
Total	3,000,000,000	3,000,000,000

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

S. No.	Particulars	As at March 31, 2016		As at March 31, 2015	
		No. of Shares	Amount	No. of Shares	Amount
1	No. of Shares at the beginning of the year	300,000,000	3,000,000,000	300,000,000	3,000,000,000
2	Add: Share allotted during the year	-	-	-	-
3	No. of Shares at the end of the year	300,000,000	3,000,000,000	300,000,000	3,000,000,000

2) Details of Shareholders holding more than 5% shares

S. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		No. of Shares	%	No. of Shares	%
1	Jaiprakash Power Ventures Limited	222,000,000	74*	222,000,000	74*
2	Power Grid Corporation of India Limited	78,000,000	26	78,000,000	26
	Total	300,000,000	100	300,000,000	100

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

Further Notes:-

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

NOTE 2.2	AS AT 31/03/2016	AS AT 31/03/2015
(Amount in Rs.)		
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	108,638,741	40,332,256.81
Additions during the year	50,372,421	68,314,436
Closing Balance	159,011,162	108,646,693
SURPLUS		
As per last Balance Sheet	348,062,675	201,209,822
Add: Profit for the year	503,724,210	683,144,356
Less: Appropriations		
Transfer to General Reserve	50,372,421	68,314,436
Retained Earning (Adjustment of Depreciation)	-	7,952
Interim Dividends	180,000,000	390,000,000
Tax on Interim Dividend	36,643,770	77,977,058
Proposed Final Dividend	195,000,000	-
Tax on proposed Final Dividend	39,697,418	-
	350,073,276	348,054,722
	509,084,438	456,701,415

NOTE 2.3	AS AT 31/03/2016	AS AT 31/03/2015
(Amount in Rs.)		
NON CURRENT LIABILITIES -		
LONG TERM BORROWINGS - SECURED LOANS		
RUPEE TERM LOANS FROM BANKS	4,243,422,960	4,834,736,000
	4,243,422,960	4,834,736,000

The Financial assistance sanctioned and disbursed by Banks of Rupee Term Loans of Rs. 700 crores together with payment of all interest at the agreed rates, additional interest in case of default, liquidated damages, reimbursement of all costs, charges and expenses and any other amount due and payable to the Lenders, Facility agent, Security Trustee (IDBI Trusteeship Services Ltd.) etc. under the loan documents/Financing documents are secured/to be secured by hypothecation of the Company's movable assets (present and future), intangible assets including but not limited to the goodwill, undertaking and uncalled capital, revenues and receivables from Project or otherwise, assignment/charge/security interest of the Company's rights under each of the Project Documents, assignment and/or charge of all licenses, permits, approvals, construction and operating period insurance policies in respect of or in connection with the project, operating cash flows and also including without limitation, the rights, title and interest in the undertakings of the Company, stocks of raw materials, semi-finished and finished goods, consumable stores and all monies, securities, contractor guarantees, performance bonds and any letter of credit provided by any person in favour of the Lenders/Security Trustee etc. ranking pari-passu among all participating Banks, and further secured by way of pledge of 30% of issued and paid up share capital of the Company. As the paid up capital on 31/03/2016 was Rs. 300 crore divided into 30 crores equity shares of Rs. 10 each, 9 crores equity shares of Rs. 10 each fully paid up held by Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro-Power Limited) have been pledged in favour of Security Trustee.



Details of Term Loans are as follows:

S. No.	NAME OF THE BANK	AS AT 31/03/2016	AS AT 31/03/2015	TERMS OF REPAYMENT
1	State Bank of India	1,700,000,000	1,900,000,000	Repayment in 44 quarterly instalments after a moratorium of 12 months from COD. Repayment has commenced from March, 2013.
2	Punjab National Bank	1,130,422,960	1,304,336,000	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June, 2012.
3	Central Bank of India	847,800,000	978,240,000	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June, 2012.
4	The Jammu & Kashmir Bank Ltd	565,200,000	652,160,000	Repayment in 46 equal quarterly instalments after a moratorium of 6 months from scheduled COD i.e. 31/12/2011 or project COD which ever is earlier. Repayment has commenced from June, 2012.
		4,243,422,960	4,834,736,000	

NOTE 2.4

DEFERRED TAX

	AS AT 31/03/2016	AS AT 31/03/2015
Deferred Tax Liabilities (A)	915,929,024	785,546,854
Deferred Tax Assets (B)	80,440,022	117,931,983
Deferred Tax Liabilities (Net) (A - B)	835,489,002	667,614,871

(Amount in Rs.)

NOTE 2.5

LONG-TERM PROVISIONS

	AS AT 31/03/2016	AS AT 31/03/2015
Provision for long term obligation of Gratuity	958,957	1,151,752
Provision for long term obligation of leave encashment	471,327	312,624
	1,430,284	1,464,376

(Amount in Rs.)

NOTE 2.6

SHORT-TERM BORROWINGS

	AS AT 31/03/2016	AS AT 31/03/2015
Secured Loans from Bank		
Working Capital	111,633,403	249,694,990
	111,633,403	249,694,990

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

NOTE 2.7

OTHER CURRENT LIABILITIES

	AS AT 31/03/2016	AS AT 31/03/2015
Current Maturities of Long-Term Debt	591,316,000	591,316,000
Retention Money (Contractors)	880,638	763,894
Dues to Staff	1,728,049	588,071
Statutory Dues	1,012,159	46,035,120
Sundry Creditors - Goods	1,442,002	17,044
Sundry Creditors - Contractors	2,688,414	3,892,699
Expenses Payable	881,895	505,963
	599,949,157	643,118,791

(Amount in Rs.)

NOTE 2.8

SHORT-TERM PROVISION

	AS AT 31/03/2016	AS AT 31/03/2015
Provision for Expenses	1,060,283	809,610
Employees Benefits		
Provision for short term current obligation of Gratuity	25,621	165,878
Provision for short term current obligation of leave encashment	784,213	558,371
Dividend		
Provision for Proposed Final Dividend	195,000,000	-
Provision for Taxation		
Income Tax	107,502,806	143,717,531
Tax on Proposed Dividend	39,697,418	-
	344,070,341	145,251,390

(Amount in Rs.)



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NOTE 2.9 FIXED ASSETS

TANGIBLE ASSETS		GROSS BLOCK				DEPRECIATION			NET BLOCK		
Sl. No.	Description	As at 01/04/2015	Addition During the period	Sale/ Transfer during the period	As at 31/03/2016	Opening Balance	Depreciation for the period	Depreciation Adjustment on Sale/ Transfer	As At 31/03/2016	As at 31/03/2016	As at 31/03/2015
1	Land	6,327,352	-	-	6,327,352	-	-	-	-	6,327,352	6,327,352
2	Building	56,438,994	-	-	56,438,994	4,902	1,789,116	-	1,794,018	54,644,976	56,434,082
3	Tools and Plant Equipment	4,934,004	-	-	4,934,004	835,055	326,214	-	1,161,269	3,772,735	4,098,949
4	Furniture & Fixtures	768,576	-	-	768,578	431,955	56,040	-	487,995	280,583	336,623
5	Motor Vehicles	7,293,752	-	-	7,293,752	4,555,931	841,989	-	5,397,920	1,895,832	2,737,821
6	Office Equipment	1,292,191	49,000	-	1,341,191	300,763	639,922	-	940,685	400,506	591,427
7	EDP Machinery & Equipment	1,036,133	34,800	-	1,072,933	964,853	17,783	-	982,635	90,297	73,280
8	Transmission Line LILO	247,765,949	-	-	247,763,949	50,361,883	13,081,937	-	63,443,820	184,320,129	197,402,066
9	Transmission Line	9,389,236,935	-	(6,715,840)	9,382,521,095	1,477,621,820	495,402,746	-	1,973,024,566	7,409,496,529	7,911,616,115
10	E-bays (Sub-Station)	146,407,345	-	-	146,407,345	23,147,002	7,730,308	-	30,877,310	115,530,035	123,260,343
11	Reactors	212,979,255	1,858,950	-	214,838,205	33,672,021	11,250,937	-	44,922,957	169,915,247	179,307,204
	Total	10,074,480,487	1,942,750	(6,715,840)	10,069,707,397	1,591,896,183	531,136,991	-	2,123,033,174	7,946,674,223	8,482,584,303
	Previous Year	9,949,345,494	126,772,983	(1,637,990)	10,074,480,487	1,064,211,482	527,676,749	7,952	1,591,896,183	8,462,584,303	8,885,134,012

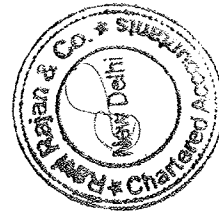
Note:-

- 1) Refund of Rs. 67,15,840/- towards royalty has been received from HP State Forest Department during the year.
- 2) The depreciation rates on Fixed Assets (except Transmission Line & its elements at S.No. 8 from Tangible & Intangible Assets) are as per the useful life of the assets as per Schedule -II of the Companies Act, 2013
- 3) Depreciation on Transmission Line & its elements has been provided on Straight Line Method at the rates & methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

NOTE 2.10 - CAPITAL WORK-IN-PROGRESS

Sl. No.	Opening Balance as at 01/04/2015	Addition/Adjustment during the year	Capitalisation during the year	Balance as at 31/03/2016
1	-	-	-	-
	50,681,261	5,757,733	56,438,994	-
Previous Year	-	-	-	-

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NOTE 2.11**LONG-TERM LOANS AND ADVANCES**

	AS AT 31/03/2016	(Amount in Rs.) AS AT 31/03/2015
Security Deposit with Govt. Depts. Public bodies	162,410	162,410
Security Deposit with others	25,000	25,000
MAT credit entitlement	501,254,953	393,752,145
Deferred Tax recoverable from beneficiaries*	420,839,464	252,965,333
	<u>922,281,827</u>	<u>646,904,888</u>

*Adjustable from future tariff income as per the Central Electricity Regulatory Commission Tariff Regulations dt. 21st February, 2014 Accordingly deferred tax liability for the year will be reversed in future years when the related deferred tax liability form part of current tax.

NOTE 2.12**TRADE RECEIVABLE**

	AS AT 31/03/2016	AS AT 31/03/2015
Transmission Tariff Receivable		
i) Outstanding for a period exceeding six month (Considered good)	60,655,983	68,066,710
ii) Other	381,541,805	374,669,001
	<u>442,497,788</u>	<u>442,765,711</u>

NOTE 2.13**CASH AND CASH EQUIVALENTS**

	AS AT 31/03/2016	AS AT 31/03/2015
A. Cash and Cash equivalents:		
1. Balance with Schedule Banks:		
i) In Current Account	13,536,003	34,695,221
ii) Trust & Retention Account (TRA)/CLTD	33,680,817	2,701,722
iii) In Fixed Deposit with maturity up to three months.	-	107,268,095
2. Cheque draft on hand	-	200,000
3. Cash in hand	40,291	222,291
B. Other Bank Balance :		
i) Trust & Retention Account :		
a) In Fixed Deposit having a maturity of less than twelve months	-	-
b) In Fixed Deposit having a maturity of more than twelve months (DSRA A/c)	120,000,000	120,000,000
Total "A+B"	<u>167,257,112</u>	<u>265,087,329</u>
C. Amount disclosed under other current assets (refer note no. 2.15)		
a) In Current Account	-	-
b) Pledged with Govt. Dept./Banks	-	-
b) In Debt Service Reserve Account (TRA Account)	120,000,000	120,000,000
Total "C"	<u>120,000,000</u>	<u>120,000,000</u>
Total "A+B-C"	<u>47,257,112</u>	<u>145,087,329</u>

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

NOTE 2.14**SHORT-TERM LOANS AND ADVANCES**

	AS AT 31/03/2016	(Amount in Rs.) AS AT 31/03/2015
Imprest/Advance to staff	-	49,916
Advance to Supplier	10,000	365,797
System Operation Charges Recoverable	445,994	-
	<u>455,994</u>	<u>415,713</u>

NOTE 2.15**OTHER CURRENT ASSETS**

	AS AT 31/03/2016	AS AT 31/03/2015
Prepaid Insurance	636,967	649,717
Prepaid Other	3,794,943	4,424,236
Interest Accrued on FDR	16,981,330	8,239,382
Advance Tax and TDS/TCS	126,668,268	129,813,106
Debt Service Reserve Account	120,000,000	120,000,000
Inventories - General	656,905	523,221
Other Receivable	17,174,227	17,174,227
	<u>285,912,640</u>	<u>280,823,889</u>

NOTE 2.16**REVENUE FROM OPERATIONS**

	AS AT 31/03/2016	AS AT 31/03/2015
Tariff Income	1,890,211,907	1,954,723,143
Less - Differential between Provisional and Final Tariff by CERC.	(167,670,302)	-
	<u>1,722,541,605</u>	<u>1,954,723,143</u>

Further Notes:-

- Transmission Tariff revenue has been booked according to Final Tariff Order dt. 07/05/2015 issued by CERC.
- Recovery of Rs. 16.77 crores has been done during July and August, 2015 by Power Grid Corporation of India Ltd, being the difference between tariff received as per provisional tariff orders and amount due as per Final Tariff Order (from COD till December, 2014 including incentive).
- Transmission tariff (including incentive) of Rs. 473,421,770/- for the last quarter has been recognized provisionally based on site verification, as the Certificate of Availability of transmission system by NRPC is pending for Certification and will be adjusted, if necessary in the current year.



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NOTE 2.17

OTHER INCOME	AS AT 31/03/2016	AS AT 31/03/2015
Interest on FDR's	15,026,953	22,804,763
Rebate on System Operation Charges	4,463	4,703
Surcharge on Transmission Tariff	8,919,409	22,310,560
LD Charges	92,948	-
Recovery of System Operation Charges	2,004,709	-
	<u>26,048,482</u>	<u>45,120,031</u>

NOTE 2.18

EMPLOYEE BENEFITS EXPENSES	AS AT 31/03/2016	AS AT 31/03/2015
Salary wages allowances & Benefits	28,954,787	25,912,872
Contribution to provident and other funds	1,656,044	1,595,830
Staff welfare expenses	124,441	92,127
	<u>30,735,272</u>	<u>27,600,829</u>

Further Notes:

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

	AS AT 31/03/2016	AS AT 31/03/2015
Salaries	6,703,548	6,382,742
Contribution to provident and other funds	1,006,795	975,876
Other benefits	2,961,304	4,004,257
	<u>10,671,647</u>	<u>11,362,875</u>

Note 2.19

FINANCE COST	AS AT 31/03/2016	AS AT 31/03/2015
Financing Charges	2,824,915	2,954,701
Interest on Term Loan / Working Capital	617,443,897	712,592,847
	<u>620,268,812</u>	<u>715,547,548</u>

NOTE 2.20

TRANSMISSION, ADMINISTRATIVE AND OTHER EXPENSES	AS AT 31/03/2016	AS AT 31/03/2015
Advertisement & Publicity	10,000	10,000
Auditor's Remuneration		
- For Statutory Audit	458,000	449,440
- For Tax Audit for FY 2015-16	114,500	112,360
- For Tax Audit for FY 2013-14	-	84,270
- For Certifications/Others	66,347	123,176
Bank Charges	6,521	904
Books and Periodicals	18,793	10,211
Communication Expenses	263,019	223,382
Consultancy Expenses	-	129,032
Cost Audit Fee/Others	75,220	61,798
Corporate Social Responsibility	12,800,000	-
Directors' Sitting Fee	960,000	500,000
Insurance Charges	7,549,065	7,668,164
Internal Audit Fee	230,640	224,720
Legal and Professional Expenses	707,212	729,553
License Fee	2,037,481	2,114,647
Miscellaneous Expenses	13,358,017	2,259,620
Printing & Stationery Expenses	97,574	91,798
Reactors Maintenance Cost	3,877,157	3,465,116
Rebate on Transmission Tariff Received	11,096,905	20,454,904
Rent, Rates & Taxes	187,569	771,867
Secretarial Audit Fee	68,700	84,270
Service Tax Paid	434,831	78,042
Sub-Station Maintenance Cost	2,539,209	2,094,718
System Operation Charges	445,994	490,097
Less:- Recoverable from beneficiaries	(445,994)	-
Travelling & Conveyance Expenses	1,537,273	1,412,739
Tariff Determination Fee	2,097,407	-
ULDC/NLDC Charges	-	15,391
Vehicle Running & Maintenance Expenses	2,133,362	2,213,473
	<u>62,724,802</u>	<u>45,873,692</u>

NOTE 2.21**EMPLOYEES BENEFIT**

- a) All employees are entitled to Provident Fund benefits. Amount charged to Statement of Profit and Loss for the year is Rs. 16,56,044/- (Previous Year Rs. 15,95,830/-)
- b) In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees' last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the insurer (SBI Life Insurance Co. Limited). Under this plan, the settlement obligation remains with the Company, although the Employee Gratuity Trust administers the plan and determines the contribution premium required to be paid by the Company.



c) Leave Encashment - Defined Benefit Plan

The Company has a scheme of encashment of accumulated leaves. The scheme is unfunded and is recognized on the basis of actuarial valuation on annual basis.

The summarized position of defined benefits recognised in the Profit and Loss Account and Balance Sheet are as under

Sl. No.	Particulars	2015-16		2014-15	
		Gratuity	Leave	Gratuity	Leave
I	Expenses recognized in the Statement of Profit and Loss for the Period ended March 31, 2016				
1	Current Service Cost	336,296	548,466	309,015	262,790
2	Interest Cost	105,410	69,680	66,746	66,673
3	Expected return on plan assets	(14,099)	-	(24,916)	-
4	Actuarial (Gains)/Losses	(604,002)	37,426	301,732	41,673
5	Past Service Cost	-	-	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	(176,395)	655,572	652,577	371,136
II	Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2016				
1	Present Value of defined Benefit Obligation	1,002,398	1,255,540	1,317,630	870,995
2	Fair Value of Plan Assets	17,820	-	156,657	-
3	Funded Status (Surplus/Deficit)	(984,578)	(1,255,540)	(1,160,973)	(870,995)
4	Net Asset (Liability) as at March 31, 2016	(984,578)	(1,255,540)	(1,160,973)	(870,995)
III	Change in Obligation during the Period ended March 31, 2016				
1	Present Value of defined Benefit Obligation at the beginning of the year	1,317,630	870,995	785,242	784,392
2	Current Service Cost	336,296	548,466	309,015	262,790
3	Interest Cost	105,410	69,680	66,746	66,673
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contributions	-	-	-	-
7	Actuarial (Gains) / Losses	(607,708)	37,426	298,377	41,673
8	Benefit Payments	(149,230)	(271,027)	(141,750)	(284,533)
9	Present Value of Defined Benefit Obligation at the end of the year.	1,002,398	1,255,540	1,317,630	870,995
IV	Change in Assets during the Period ended March 31, 2016				
1	Plan Assets at the beginning of the year.	156,657	-	276,846	-
2	Assets acquired on amalgamation in previous year.	-	-	-	-
3	Settlements.	-	-	-	-
4	Expected return on Plan Assets.	14,099	-	24,916	-
5	Contribution by Employer.	-	-	-	-
6	Actual Benefit Paid.	(149,230)	-	(141,750)	-
7	Actuarial Gains / (Losses)	(3,706)	-	(3,355)	-
8	Plan Assets at the end of the year.	17,820	-	156,657	-
9	Actual Return on Plan Assets.	10,393	-	21,561	-

Note: The information on composition of the plan assets held by the funds managed by the insurer is not provided since the same is not available.

NOTE 2.22

(Amount in Rs.)
AS AT 31/03/2016 AS AT 31/03/2015

Contingent Liabilities and Commitments (to the extent not provided for)

Contingent Liabilities - Claims against the Company not acknowledged as debt	1,557,760	2,050,400
- Land Compensation Cases	15,092,000	16,537,000
- Income Tax Matters	-	-

The value for matters under appeal Rs. 2,01,52,236/-. Based on the decision of the Appellate authorities and the interpretation of relevant tax provisions, the Company has been legally advised that the additions made in the assessment are likely to be deleted or substantially reduced. As at 31.03.2016 there is no outstanding tax demand against the Company.

NOTE 2.23

Additional information as per Accounting Standard 18 (AS 18) "Related Party Disclosures", issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party, as defined in the said Standard, are given below:-

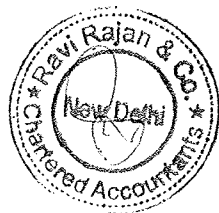
List of Related Parties and relationships:

a) Holding Companies:

- (i) Jaiprakash Power Ventures Limited (earlier known as Jaiprakash Hydro-Power Limited)
- (ii) Jaiprakash Associates Limited, being holding company of Jaiprakash Power Ventures Limited



- b) **Company Exercising Significant Influence**
 [i] Power Grid Corporation of India Limited (PGCIL)
- c) **Subsidiary of Company Exercising Significant Influence**
 [i] Power System Operation Corporation Limited (POSOCO)
- d) **Fellow Subsidiary Companies:**
 [i] Jaypee Infratech Ltd.
 [ii] Himalyan Expressway Ltd.
 [iii] Jaypee Sports International Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
 [iv] Jaypee Ganga Infrastructure Corporation Ltd.
 [v] Sangam Power Generation Company Limited.
 [vi] Prayagraj Power Generation Company Limited.
 [vii] Jaypee Agra Vikas Limited.
 [viii] Jaypee Fertilizers & Industries Limited
 [ix] Jaypee Meghalaya Power Ltd. (subsidiary of Jaiprakash Power Ventures Ltd.)
 [x] Jaypee Cement Corporation Ltd. (Subsidiary of Jaiprakash Associates Ltd.)
 [xi] Himaiyaputra Aviation Limited
 [xii] Jaypee Assam Cement Limited
 [xiii] Jaypee Healthcare Ltd. (Subsidiary of Jaypee Infratech Ltd.)
 [xiv] Jaypee Cement Cricket (India) Ltd. (Subsidiary of Jaypee Sports International Ltd.)
 [xv] Jaypee Cement Hockey (India) Ltd. (Subsidiary of Jaypee Sports International Ltd.)
 [xvi] Himachal Baspa Power Company Limited (subsidiary of JPVL till 07.09.15; No more a subsidiary w.e.f. 08.09.15)
 [xvii] Bina Power Supply Limited (new name w.e.f. 28.09.2015 of Himchal Karcham Power Company Limited (subsidiary of JPVL)
 [xviii] Himachal Karcham Power Company Limited
 [xix] Jaiprakash Agri Initiatives Company Limited
- e) **Fellow Subsidiary Companies (JV):**
 [i] Bhillai Jaypee Cement Ltd.
 [ii] Gujarat Jaypee Cement & Infrastructure Ltd.
 [iv] Jaypee Arunachal Power Limited
- f) **Associate Companies (JV):**
 [i] MP Jaypee Coal Limited
 [ii] MP Jaypee Coal Fields Limited
 [iii] Madhya Pradesh Jaypee Minerals Limited
 [iv] Jaypee Uttar Bharat Vikas Private Limited
 [v] Kanpur Fertilizers & Cement Ltd. (subsidiary of Jaypee Uttar Bharat Vikas Private Limited)
- g) **Associate Companies:**
 [i] Jaypee Infra Ventures (A private company with unlimited liability)(JIV)
 [ii] Jaypee Development Corporation Ltd. (subsidiary of Jaypee Ventures Pvt. Ltd.)
 [iii] Andhra Cements Limited (subsidiary of JDCL)
 [iv] JIL Information Technology Ltd. (subsidiary of JIV)
 [v] Gaur & Nagi Ltd. (subsidiary of JIL Information Technology Ltd.)
 [vi] Jaypee International Logistics Company Pvt. Ltd. (subsidiary of JIV)
 [vii] Tiger Hills Holiday Resort Pvt. Ltd.(subsidiary of Jaypee Development Corporation Ltd.)
 [viii] Anvi Hotels Private Limited (subsidiary of JIV)
 [ix] RPJ Minerals Private Limited
 [x] Sarveshwari Stone Products Pvt. Ltd.(subsidiary of RPJ Minerals Pvt. Ltd.)
 [xi] Rock Solid Cement Ltd.(subsidiary of RPJ Minerals Pvt. Ltd.)
 [xii] Sonebhadra Minerals Private Limited
 [xiii] Jaiprakash Kashmir Energy Limited
 [xiv] Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV)
- h) **Key Management Personnel :**
 [i] Shri D.P. Goyal, Managing Director & CEO
 [ii] Shri R. B. Singh, Whole - time Director (till 23rd December, 2015)
 [iii] Shri N. K. Jain, Whole - time Director (w.e.f. 29th December, 2015)



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ii. Transactions during the period with Related Parties

Transactions related to parties referred in I(a) to h(c) above:

(Amount in Rs.)

S. No.	Nature of Transaction	Holding Companies	Company Exercising Significant Influence	Subsidiary of Company Exercising Significant Influence	Key Management Personnel
Transactions during the period:					
1	Revenue from operations	- (-)	1,722,541,605 (1,954,723,143)	- (-)	- (-)
2	Surcharge on Transmission Tariff	- (-)	8,919,409 (22310560)	- (-)	- (-)
3	System operation charges	- (-)	- (-)	445,994 (490,097)	- (-)
4	ULD/NLD charges	- (-)	- (15,391)	- (-)	- (-)
5	Dividend (JPVL/PGCIL)	133,200,000 (366,300,000)	46,800,000 (128,700,000)	- (-)	- (-)
6	Operation and maintenance (JPVL/PGCIL) - Reactors and Sub-station	1,611,359 (3,465,116)	2,539,209 (2,094,718)	- (-)	- (-)
7	Purchase of Cement (JAL)	- (510,400)	- (-)	- (-)	- (-)
8	Managerial Remuneration	- (-)	- (-)	- (-)	10,671,647 (11,362,875)
9	Reimbursement of expenses to the Company	- (-)	- (89,823)	- (-)	- (-)
Balances outstanding as at the year end					
10	Trade receivable	- (-)	442,943,782 (442,765,711)	- (-)	- (-)
11	Operation and maintenance (JPVL)	- (3,403,437)	- (-)	- (-)	- (-)
12	Managerial Remuneration	- (-)	- (-)	- (-)	1,590,106 (828,000)

NOTE 2.24

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

NOTE 2.25

Number of shares calculated in computing earning per share as per provisions of AS-20

AS AT 31/03/2016 **AS AT 31/03/2015**

Number of equity share of Rs. 10/- each (opening)

300,000,000 300,000,000

Number of Share allotted during the year

Number of equity share of Rs. 10/- each (closing)

300,000,000 300,000,000

Weighted Average number of equity shares for calculating Basic EPS

300,000,000 300,000,000

Weighted Average number of equity shares for calculating Diluted EPS

300,000,000 300,000,000

NOTE 2.26

All figures have been rounded off to the nearest rupee.

for Ravi Rajan & Co.

Chartered Accountants

Registration No. 009073

Shiyani Bhardwaj

Partner

Membership No. 50367

Place : Gurugram

Date : 25/05/2016

For and on behalf of the Board

Suren Jain

Director

Anita Rikhy
General Manager &
Company Secretary

D. P. Goyal
Managing Director & CEO

S. K. Thakral
President &
Chief Financial Officer