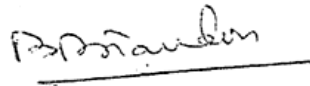


FORM B
(Clause 31(a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Jaiprakash Power Ventures Limited
2.	Annual Financial Statement for the year ended	31 st March,2015
3.	Type of Audit Qualification	Qualified
4.	Frequency of Qualification	First
5.	Draw attention to the relevant notes in the annual financial statements and management response to the qualification in the Directors' Report:	As per Annexure A & B
6.	Additional comments from the Board / Audit Committee Chair:	No
7	To be signed by-	
	 Sunil Kumar Sharma (Vice-Chairman & CEO)	 Suren Jain (Managing Director &CFO)
	 B.B.Tandon (Chairman Audit Committee)	Statutory Auditor of the Company For R. Nagpal Associates Chartered Accountants (RegistrationNo.002626N)   CA R Nagpal Partner Membership No. 081594

Relevant notes in the Auditor's Report:-
(Standalone Financial Statements)

Based on our audit procedures and on the 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, except some instances of delay in payment of interest to financial institutions, banks and debentures holders ranging for a period from 1 day to 59 days, these have been subsequently made good, except over-dues interest on borrowing amounting to Rs. 134,62,97,032/- which is outstanding for 1 day to 32 days as at 31st March, 2015 and which is being reflected under Note No.12-‘Other Current Liabilities’-‘Interest accrued and due on Borrowings’ and Rupee Term Loan amounting to Rs.93,00,00,000 which is outstanding for 1day as at 31st March, 2015 and which is being reflected under Note No.12-‘Other Current Liabilities’- ‘Current maturities of Long Term Debt’- in the financial statements.

Management Response to the Qualification in the Director's Report:-

The Directors wish to state that the qualification of Statutory Auditors in para (ix) to Annexure referred to in para 1 of their Report on the stand-alone financial statements pertains to repayment of principal amount of Loan and interest on loans. The Directors wish to state that outstanding amount of loans from banks and financial institutions as mentioned in current liabilities (current maturities of long term debts) as at 31st March, 2015 includes repayment of principal amount of loans overdue of Rs.9300 lacs which was due for repayment on 31st March, 2015. Further the interest of Rs.13463 lacs on various loans for the period February and March, 2015 was overdue for payment as on 31st March, 2015. This was on account of general economic conditions which lead to inordinate delay in realization of payments against sale of power from power procurers. On the date of adoption of Accounts by the Board of Directors, principal amount of loans overdue as above were brought down to Rs. 5000 lacs, while interest overdue as above for February and March, 2015 had been fully cleared.

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Relevant notes in the Auditor's Report:-
(Consolidated Financial Statements)

Regarding Note No. 43 of the Consolidated Financial Statements wherein Expenditure incurred during the construction and incidental to setting up of the project by Sangam Power Generation Company Limited (SPGCL) a subsidiary of the Company for development of 1320 MW Power Project at Tehsil Karchana, Distt. Allahabad, Uttar Pradesh, have been carried forward as 'Capital Work in Progress'. In view of abnormal delay in handling over the possession of land, the Company has requested Uttar Pradesh Power Corporation Ltd. (UPCCL) to take over the project and refund of investment made by it. The matter is under consideration of UPCCL. The management does not expect any material adjustment in the carrying value of assets including Capital Work in Progress. We are therefore, unable to comment whether any adjustment is required in the carrying value of assets and liabilities were made.

Sangam Power Generation Company Limited (SPGCL) a subsidiary of the Company is yet to appoint management person as per the requirement of the Companies Act, 2013. Our Opinion is not qualified in respect of this matter.

Management Response to the Qualification in the Director's Report:-

The Directors further wish to state that the “Qualified Opinion” of the Independent Auditors’ in their Report on consolidated financial statements pertains to wholly owned subsidiary of the Company i.e. Sangam Power Generation Company Limited (SPGCL), incorporated for implementation of Thermal Power project at Karchana, Distt. Allahabad (U.P.) with 2 x 660 MW capacity in phase-I and 1 x 660 MW capacity in phase-II. SPGCL had executed conveyance deeds in respect of the land for the project but physical possession of the land could not be handed over by the District Administration due to continuous agitation by the

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local villagers. Despite various steps having been taken by SPGCL for implementation of the project, no physical activity could be started on the ground because of non-availability of the land for the reasons beyond the control of the SPGCL.

SPGCL is in correspondence with U.P. Power Corporation Limited and State Government to close Power Purchase Agreement/ other agreements and refund of amounts incurred by it and the matter is under examination of the authorities. However, the management of SPGCL does not expect any material adjustment in carrying value assets including Capital Work in Progress. The Auditors were unable to comment on whether any adjustment in carrying value of assets and liabilities were to be made and its possible effects on SPGCL. However, the management of SPGCL expects that the claims filed by SPGCL would be amicably settled soon.

In reply to para relating to Emphasis of matter of their Report on consolidated financial statements, it is stated here that since SPGCL is lying dormant without any source of income, it could not appoint any Key Managerial Personnel to meet the requirements of Companies Act, 2013.

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B. D. Nandan

