

JINDAL STEEL & POWER LIMITED

LICENSED BUSINESS OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY

Balance Sheet as at 31st March,2015

Rs in lakhs

Particulars	Note No	As at 31st March,2015	As at 31st March,2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Apportioned Equity (including Reserves & Surplus)	3	(416.80)	1,739.81
(2) Non Current Liabilities			
(a) Apportioned Long term borrowings	2(i)(c)	-	210.01
(b) Other long term liabilities	4.1	3,105.00	3,357.82
(c) Long term provisions	4.2	29.40	-
(3) Current Liabilities			
(a) Short term borrowings	5	1,757.74	-
(b) Trade payables		1,469.14	1,567.77
(c) Other current liabilities	6.1	5,253.27	1,563.31
(d) Short term provisions	6.2	79.28	-
Total		11,277.03	8,438.72
II.ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	7	936.53	2,069.99
(2) Current assets			
(a) Trade receivables	8	4,487.13	2,266.14
(b) Bank balance in current account		36.31	36.09
(c) Short-term loans and advances	9	5,817.06	4,066.50
Total		11,277.03	8,438.72

Overview and significant accounting policies

1 & 2

The notes referred to above form an integral part of financial statements.

As per our report of even date

For S.R.BATLIBOI & CO LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

Anil Gupta
per Anil Gupta
Partner

Membership No 87921



Place: Gurgaon
Date: 26/11/2015

For Jindal Steel & Power Ltd

Harish Dua
Harish Dua
Acting CFO

Place: New Delhi
Date: 26/11/2015

JINDAL STEEL & POWER LIMITED

LICENSED BUSINESS OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY

Statement of profit & loss for the year ended 31st March,2015

Rs in lakhs

Particulars	Note No	Year ended 31st March,2015	Year ended 31st March,2014
REVENUE			
Revenue from operations Included Rs 339.88 lakhs (Previous year Rs. 379.44 lakhs) in respect of power sold to other business of JSPL Current Year: 7480.42 lakhs Units (Previous Year 7131.6 lakhs Units)		23,853.80	24,212.11
Other operating revenue	10	10.98	10.54
Total Revenue		23,864.78	24,222.65
EXPENSES			
Purchase of power	11	23,723.03	23,702.28
Intra state transmission charges	2(i)(e)	235.67	216.85
Operation and maintenance expenses	12.1	197.32	135.96
Employee benefits expenses	12.2	508.01	478.20
Administration and general expenses	12.3	378.94	103.03
Finance costs	13	359.47	232.09
Depreciation expense	7	397.37	159.60
Total Expenses		25,799.81	25,028.01
Profit/(loss) before tax		(1,935.03)	(805.36)
Tax expense	2(i)(j)	-	-
Loss for the year		(1,935.03)	(805.36)

Overview and significant accounting policies

1 & 2

The notes referred to above form an integral part of financial statements.

As per our report of even date

For S.R.BATLIBOI & CO LLP

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JINDAL STEEL & POWER LIMITED

LICENSED BUSINESS OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

1. OVERVIEW

Jindal Steel & Power Limited (JSPL) is one of the India's leading steel producers with significant presence in sector like mining and power generation. JSPL was granted a distribution license by the Chhattisgarh State Electricity Regulatory Commission vide order No 1295/CSERC/2005 dated 29.11.2005 for distribution and retail supply of electricity in the area of the Jindal Industrial Park and in the area of villages Tumidih and Punjipathra of Gharghoda tahsil of Raigarh Dist, Chhattisgarh. The licensed business of distribution and retail supply of electricity is one of the several businesses of JSPL. The Honourable Commission had directed JSPL to segregate the accounts in respect of the licensed business from the accounts of JSPL. In compliance to the directives given and relevant provision of the license conditions laid down by the Honourable Commission, JSPL has segregated and ring fenced the accounting of the transactions pertaining to the licensed business activities by creating separate trial balance and books of accounts for the licensed business. The segregation of accounts for the licensed business has been carried out by the licensee after a detailed evaluation of the existing accounting systems, flow of information and documents for the various transactions, applicable regulations, internal control procedures with respect to the identification of transactions and recording thereof, billing & collection information and procedures, requirements of financial management information systems (MIS), and flexibility of ERP package. The financial accounts of the licensed business ('Division') have been prepared from the transactions recorded as mentioned above so that the revenues, costs, assets, liabilities, reserves and provisions (except tax provision) pertaining to the licensed business are separately identifiable in the Company's books of accounts, from those of other businesses of JSPL.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of Financial Statements

- a. The Financial Statements are prepared under the historical cost convention, on going concern basis and all material respects with the Accounting Standards (AS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Disclosure as required by AS and Companies Act 2013 have been given to the extent these are relevant. The Division follows the mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation of Incomes. The accounting policies adopted in preparation of financial statements are consistent with those of previous year, except for the change in depreciation policy which is as per Schedule II of the Companies Act, 2013 as referred in Para 14.
- b. Apportioned Equity : The equity has been apportioned to the licensed business in the same debt equity ratio of JSPL as a whole in the year of capitalisation of the fixed assets.
- c. Apportioned Long Term Borrowings : The long term borrowings have been apportioned to the licensed business in the same debt equity ratio of JSPL as a whole in the year of capitalisation of the fixed assets. Further the repayments equivalent to the depreciation charged has been reduced from the long term borrowings.
- d. Short term borrowing/ advance from JSPL represent difference between equity and net assets.



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

- e. Inter State Transmission Charges : The transmission charges have been booked in accordance with the tariff orders issued by the Chhattisgarh State Electricity Regulatory Commission.
- f. Operation and maintenance expenses : Repair and Maintenance expenses (R&M) have been accounted for on actual basis for the licensed business, to the extent it can be identified and rest has been allocated on reasonable basis.
- g. Employee benefits expenses : Due to the integrated nature of the JSPL's business and for optimum utilization of manpower resources, besides the employees totally dedicated to the licensed business, the employees deployed in non-licensed business are also looking after certain affairs of the licensed business. Hence depending on the work performed, the employee benefits expenses have been accounted for.
- h. Administrative and General expenses have been accounted for on actual basis for the licensed business, to the extent it can be identified and rest has been allocated on reasonable basis.
- i. Finance Cost : Interest expenses on apportioned long term borrowings has been considered at the rate of 11.50% per annum on the average outstanding loan amount. Interest expense on short term borrowing is calculated at the rate of 11.5% per annum applied on average of short term borrowing outstanding as at the beginning and end of the year. Interest expenses on security deposit is being booked on accrual/actual computation basis.
- j. Income tax computation is calculated for whole business and is not allocated to power distribution business.

ii) Use of Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, specific identification/allocation of expenses and liabilities and results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

iii) Fixed Assets – Depreciation

A Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the assets to its working condition for its intended use and are net of available duty / tax credits.



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

Gains / losses arising from discard / sale of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the asset is discarded / sold.

The Division adjusts exchange differences arising on translation / settlement of long term foreign currency monetary items as referred in policy for Foreign Exchange transactions.

B Depreciation

Depreciation on tangible assets is provided on straight-line method (SLM) as per the useful life of the assets estimated by the management which are equal to the rates specified in Schedule II to the Companies Act, 2013. Leasehold land is amortised over the period of lease. In the case of assets where impairment loss is recognised, the revised carrying amount is depreciated over the remaining estimated useful life of the asset. Based on management evaluation depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Estimated useful life as specified in Schedule II to the Companies Act 2013 is adjusted in respect of plant and machinery working on shift basis.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

iv) Impairment of Assets

The carrying amount of assets is reviewed for impairment at each balance sheet date wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognized impairment losses are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognized in prior years.

v) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset. Other borrowing costs incurred during the year are charged to statement of profit and loss. In case of significant long term loans, the ancillary costs incurred in connection with the arrangement of borrowings are amortized over the period of respective Loan.

vi) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction.

Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains / losses of above foreign currency translations are recognized in the statement of profit and loss for the year except to the extent that they relate to:

- (a) The Division has elected to account for exchange differences arising on reporting of long-term foreign currency monetary items pertaining to Accounting Standard 11(AS-11) as notified by Government of India. Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets.
- (b) Exchange differences relating to monetary items that are in substance forming part of the Division's net investment in nonintegral foreign operations are accumulated in Foreign Currency translation reserve.

The premium or discount arising at the inception of forward exchange contract, except the contract which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

vii) Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS) 15 - Employee Benefits.

a) Provident Fund

The Division contributes to Government administered fund as well as to Provident Fund Trust. The interest rate payable by the trust to beneficiaries every year is being notified by Government. The Division makes good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

b) Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the Balance Sheet date less the fair value of plan assets, together



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with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the Balance Sheet date by an independent Actuary using the projected unit credit method. Actuarial gains or losses are immediately recognised in the statement of profit and loss and are not deferred.

c) Compensated absences

Liability in respect of compensated absences due or expected to be availed within one year from the Balance Sheet date is estimated on the basis of an actuarial valuation performed by Independent Actuarial using the projected unit credit method. It is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

viii) Provisions, contingent liabilities, commitments and contingent assets

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities and commitments unless the probability of outflow of resources embodying economic benefits is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

ix) Revenue Recognition

a) Revenue from sale of power is recognised on transfer of significant risks and rewards of ownership to the buyer i.e. transmission of power.

b) Meter rent income is recognised on monthly basis based on contractual rates.

c) Interest income is recognized on a time proportion basis taking into account the amount outstanding, the applicable interest rate and when there is certainty in regard to collection thereof. Interest has been levied in the monthly electricity bill when the customer fails to pay the outstanding amount on or before the due date.



JINDAL STEEL & POWER LIMITED
 LICENSED BUSINESS OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY
 Notes to the financial statements as at and for the year ended 31st March, 2015

3 Apportioned Equity (including Reserves & Surplus) [Refer note 2(i)(b)]

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Apportioned equity (A)	1,345.48	1,345.48
<u>Reserves & surplus</u>		
Opening Balance	394.33	1,199.69
Less : Adjustment due to depreciation as per Companies Act 2013 (Refer Note 14)	(221.58)	-
Less : Balance of Profit and Loss statement	(1,935.03)	(805.36)
Reserves & surplus (B)	(1,762.28)	394.33
A + B	(416.80)	1,739.81

4.1 Other long term liabilities

Contribution received from consumers towards installation of assets pertaining to the licensed business & security deposits against power bills is recorded under long term liabilities. The details are as under:

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Capital contribution from consumers (Refer Note 7)	-	514.50
Security deposit from consumers	3,105.00	2,843.32
	3,105.00	3,357.82

4.2 Long term provisions

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Employee benefits		
Gratuity*	3.69	-
Other defined benefit plans*	25.71	-
	29.40	-

* Includes cumulative provision recorded in current year.

5 Short term borrowings

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Advance from JSPL's other business [Refer note 2(i)(d)]	1,757.74	-
	1,757.74	-

6.1 Other current liabilities

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Statutory dues*	3,949.23	23.78
Interest accrued but not due	232.27	213.98
Outstanding liabilities for expenses	1,009.24	1,325.55
Others	62.53	-
	5,253.27	1,563.31

*Include Rs. 3817.06 Lakh provision for litigation recorded with corresponding debit to trade receivables in regard to amount paid under protest

6.2 Short term provisions

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Employee benefits		
Leave Encashment*	79.28	-
	79.28	-

* Includes cumulative provision recorded in current year.



7. Fixed Assets

JINDAL STEEL & POWER LIMITED

LICENSED BUSINESS OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY

Notes to the financial statements as at and for the year ended 31st March, 2015

Particulars	Gross carrying value				Depreciation		Net carrying value	
	As at 1st April, 2014	Additions	Disposal/ Adjustment*	As at 31st March, 2015	For the Year	Disposal/ Adjustment	As at 31st March, 2015	As at 31st March, 2014
Tangible Assets								
Land - Lease Hold	32.27	-	-	32.27	0.31	-	29.80	30.11
Factory Building	109.46	-	-	109.46	3.37	-	73.38	76.75
Non Factory Building	282.54	-	-	282.54	216.16	-	26.91	243.07
Plant and Machinery	2,849.60	-	514.51	2,335.09	392.96	-	805.47	1,712.94
Air Conditioner	8.14	-	-	8.14	4.99	-	0.41	5.40
Furniture and Fixtures	2.91	-	-	2.91	0.18	-	0.33	0.51
Computers	0.67	-	-	0.67	-	-	0.03	0.03
Office Equipments	1.36	-	-	1.36	0.93	-	0.01	0.94
Light Vehicles	0.47	-	-	0.47	0.05	-	0.19	0.24
Current year	3,287.42	-	514.51	2,772.91	618.95 **	-	936.53	2,069.99
Previous year	3,287.42	-	-	3,287.42	159.60	-	2,069.99	2,229.59

* Represents adjustment in respect to Capital contributed by the customers in earlier years.

** Includes Rs. 221.58 lakhs due to change of useful life (Refer Note 14)



JINDAL STEEL & POWER LIMITED

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Notes to the financial statements as at and for the year ended 31st March, 2015

8 Trade receivable

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured		
Exceeding six months	-	-
Others		
Considered good	4,487.13	2,266.14
	4,487.13	2,266.14

9 Short term loans & advances includes :

Particulars	Rs in lakhs	
	As at 31 st March, 2015	As at 31 st March, 2014
Advance to JSPL's other business [Refer note 2(i)(d)]	-	4,066.50
Balance with Government Authorities	5,817.06	-
	5,817.06	4,066.50

10 Other operating revenue includes :

Particulars	Rs in lakhs	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Meter rent and other charges recovered	10.98	10.54
	10.98	10.54

11 Purchase of power includes :

Particulars	Rs in lakhs	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Purchase cost		
Current Year: 7480.42 lakhs units (Previous Year 7131.6 lakhs units)	22,441.26	21,394.74
Renewable power obligation expenses	1,281.77	2,307.54
	23,723.03	23,702.28

12.1 Operation and maintenance expenses includes : [Refer note 2(i)(f)]

Particulars	Rs in lakhs	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Stores and Spares Consumed	104.10	135.96
Repairs and Maintenance-Building	0.13	-
Repairs and Maintenance-Plant and Machinery	56.22	-
General Repairs and Maintenance	36.87	-
	197.32	135.96

12.2 Employee benefits expenses includes : [Refer Note 2(i)(g)]

Particulars	Rs in lakhs	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Salaries and wages	454.19	453.69
Contribution to Provident and other funds	21.36	22.77
Staff welfare expenses	32.46	1.74
	508.01	478.20



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 Notes to the financial statements as at and for the year ended 31st March, 2015

12.3 Administration and general expenses [Refer Note 2(i)(h)]

Particulars	Rs in lakhs	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Legal and professional charges	167.07	60.35
Security expenses	17.47	18.39
Fees and taxes	12.73	13.02
Hire charges	11.11	5.02
Travel and conveyance expenses	6.76	4.19
Advertisement and publicity	-	0.50
Corporate office expenses*	57.15	-
Social Welfare*	58.93	-
Insurance Premium	1.71	-
Bad debts written-off	24.37	-
Others	21.64	1.56
	378.94	103.03

*Not considered for allocation in the previous year.

13 Finance costs [Refer Note 2(i)(i)]

Particulars	Rs in lakhs	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest on apportioned long term borrowings	19.66	33.33
Interest on short term borrowings	95.58	-
Interest on security deposits	262.30	237.76
Less : Delay payment surcharge	(18.07)	(39.00)
	359.47	232.09

14 In accordance with the Companies Act 2013, the Division has revised the useful life of their fixed assets to comply with the useful life as mentioned in Schedule II of the said Act. As per the transitional provisions the Division has adjusted Rs. 221.58 lakhs from the opening balance of retained earnings. Had the Division continue to follow earlier useful life the depreciation expense for the year would have been lower by Rs.258.15 lakhs.

15 Previous year figures have been regrouped whenever necessary to confirm with this year classification

As per our report of even date

For S.R.BATLIBOI & CO LLP
 ICAI Firm Registration Number: 301003E
 Chartered Accountants

Anil Gupta
 per Anil Gupta
 Partner

Membership No 87921

Place: Gurgaon
 Date: 26/11/2015



For Jindal Steel & Power Ltd

Harish Dua
 Harish Dua
 Acting CFO

Place: New Delhi
 Date: 26/11/2015

INDEPENDENT AUDITOR'S REPORT**To the Board of Directors of Jindal Steel and Power Limited**

We have examined the accompanying special purpose financial statements of the 'Licensed Business of Distribution and Retail Supply of Electricity', separate division ('the Division') of Jindal Steel & Power Limited which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information ("the financial statements") of the Division.

These special purpose financial statements of the Division have been prepared by the management of Jindal Steel and Power Limited in accordance with the basis of preparation and Accounting policies as stated in Note 2 to the financial statements solely for the purpose of submission with Chhattisgarh State Electricity Regulatory Commission.

Management's Responsibility for the special purpose Financial Statements

The Management is responsible for the matters with respect to the preparation and fair presentation of these special purpose financial statements of the Division in accordance with the basis of preparation and Accounting policies as stated in Note 2 to the financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the specified business 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements of the Division based on our audit. We conducted our audit in accordance with the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 Division'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 but not for the purpose of expressing an opinion on whether the Division has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements of the Division for the year ended March 31, 2015 has been prepared in all material respects, in accordance with the basis of preparation and Accounting policies as stated in Note 2 to the accompanying financial statements of the Division.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements of the Division, which describe the basis of accounting. These special purpose financial statements of the Division have been prepared, and this report thereon issued, solely for the purpose of submission with Chhattisgarh State Electricity Regulatory Commission. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent. Our opinion is not qualified in respect of this matter.

Other matter

Jindal Steel and Power Limited had also prepared a separate set of financial statements for the year ended March 31, 2015 in accordance with 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 on which we had issued an audit opinion dated May 27, 2015 as required by Section 143 (3) of the Act.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E

Anil Gupta

per Anil Gupta

Partner

Membership no.: 87921



Place: Gurgaon

Date: 26/11/2015