

**LODHA
& CO**

Chartered Accountants

Dist. 15-16

12, Bhagat Singh Marg, New Delhi - 110 001, India
Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414
Fax : 91 11 23345168 / 23314309
E-mail : delhi@lodhaco.com

To the Board of Directors
Jindal Steel and Power Limited

We have reviewed 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** ('the Company') comprising Balance Sheet as at 31st March, 2016, Statement of profit & loss for the year then ended 31st March 2016 and a summary of significant accounting policies and other explanatory information ("the financial statements") of the Division. These financial statements have been compiled and extracted by the Company's management from books of account and records maintained by the Company and audited financial statements of the company for the year ended 31st March 2016 (audited by predecessor auditor).

Based on our review conducted as above, read with note no. 2(i) & 14, nothing has come to our attention that causes us to believe that the accompanying financial statements of the division as compiled and extracted by the management from books of accounts and records maintained by Jindal Steel & Power Limited contains any material misstatement.

The audit of standalone financial statements of the Company for the year ended 31st March 2016 were carried out by the other auditors, whose reports have been furnished to us by the management and which have been relied upon by us for the purpose of our review of the statement.

These financial statements of the division have been prepared for onward submission with Chhattisgarh State Electricity Regulatory Commission.

For LODHA & CO..

Chartered Accountants

Firm Registration No.: 301051E

(N. K. LODHA)

Partner

Membership No.: 85155



Place: New Delhi

Date: 30-9-2017

JINDAL STEEL & POWER LIMITED

LICENSED BUSINESS OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY

Balance Sheet as at 31st March, 2016

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Apportioned Equity (including Reserves & Surplus)	3	1,784.74	(416.80)
(2) Non Current Liabilities			
(a) Apportioned Long term borrowings	2(i)(c)	-	-
(b) Other long term liabilities	4.1	4,007.31	3,105.00
(c) Long term provisions	4.2	35.78	29.40
(3) Current Liabilities			
(a) Short term borrowings (balancing figure)	5	6,528.91	1,757.74
(b) Trade payables		0.86	1,469.14
(c) Other current liabilities	6.1	2,453.88	5,253.27
(d) Short term provisions	6.2	36.55	79.28
Total		14,848.03	11,277.03
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	7	833.43	936.53
(2) Current assets			
(a) Trade receivables	8	3,318.55	4,487.13
(b) Bank balance in current account		42.28	36.31
(c) Short-term loans and advances	9.1	2,000.60	5,817.06
(d) Other current assets	9.2	8,653.17	-
Total		14,848.03	11,277.03

Overview and significant accounting policies

1 & 2

Data & information are compiled by the management. Above data has been extracted from books of accounts and records maintained by Jindal Steel & Power Limited and these financial statements are to be read with Note 2(i) & 14.

As per our report of even date

For LODHA & CO.

ICAI Firm Registration Number: 301051E

Chartered Accountants

Partner

Membership No 85

Place: New Delhi

Date: 30/09/2017



For Jindal Steel & Power Ltd

Rajeev Rupendra Bhaduria

Wholetime Director

DIN- 00376562

Place: New Delhi

Date: 30/09/2017

JINDAL STEEL & POWER LIMITED

LICENSED BUSINESS OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY

Statement of profit & loss for the year ended 31st March, 2016

Rs in lakhs

Particulars	Note No	Year ended 31st March, 2016	Year ended 31st March, 2015
REVENUE			
Revenue from operations*			
Included Rs 280.98 lakhs (Previous year Rs. 339.88 lakhs) in respect of power sold to other business of JSPL			
Current Year: 7533.58 lakhs Units (Previous Year 7480.42 lakhs Units)			
*Revenue includes Rs 8653.17 lakhs on account of diff. @0.93 paise per unit not billed due to order of CSERC but accounted on accrual basis for Jan-15 to Mar-16.			
		27,971.16	23,853.80
Other operating revenue	10	11.13	10.98
Total Revenue		27,982.29	23,864.78
EXPENSES			
Purchase of power	11	23,565.60	23,723.03
Intra state transmission charges	2(i)(e)	224.63	235.67
Operation and maintenance expenses	12.1	77.71	197.32
Employee benefits expenses	12.2	675.14	508.01
Administration and general expenses	12.3	330.15	378.94
Finance costs	13	804.42	359.47
Depreciation expense	7	103.10	397.37
Total Expenses		25,780.75	25,799.81
Profit/(loss) before tax		2,201.54	(1,935.03)
Tax expense	2(i)(j)	-	-
Loss for the year		2,201.54	(1,935.03)

Overview and significant accounting policies

1 & 2

Data & information are compiled by the management. Above data has been extracted from books of accounts and records maintained by Jindal Steel & Power Limited and these financial statements are to be read with Note 2(i) & 14.

As per our report of even date

For LODHA & CO.
ICAI Firm Registration Number: 301051E
Chartered Accountants

Partner

Membership No 851

Place: New Delhi

Date: 30/09/2017



For Jindal Steel & Power Ltd

Rajeev Rupendra Bhaduria
Wholetime Director
DIN- 00376562

Place: New Delhi

Date: 30/09/2017

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, 2016

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

Rs in lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Apportioned equity (A)	1,345.48	1,345.48
<u>Reserves & surplus</u>		
Opening Balance	(1,762.28)	394.33
Less : Adjustment due to depreciation as per Companies Act 2013 (refer note no. 15)	-	(221.58)
Add : Profit and (Loss) for the year	2,201.54	(1,935.03)
Reserves & surplus (B)	439.26	(1,762.28)
A + B	1,784.74	(416.80)

* Opening apportioned equity and Reserves as at 1st April 2015 has been taken from audited financials audited by predecessor auditor.

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:

Rs in lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Capital contribution from consumers (Refer Note 7)	-	-
Security deposit from consumers	4,007.31	3,105.00
	4,007.31	3,105.00

4.2 Long term provisions

Rs in lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Provision for Employee benefits		
Gratuity*	0.46	3.69
Other defined benefit plans*	35.32	25.71
	35.78	29.40

* Includes cumulative provision recorded in current year.

5 Short term borrowings

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Advance from JSPL's other business [Refer note 2(i)(d)]	6,528.91	1,757.74
	6,528.91	1,757.74

6.1 Other current liabilities

Rs in lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Statutory dues*	145.62	3,949.23
Interest accrued but not due	270.57	232.27
Outstanding liabilities for expenses	1,974.10	1,009.24
Others	63.59	62.53
	2,453.88	5,253.27

*Include Rs Nil, Previous year Rs. 3817.06 Lakh provision for litigation recorded with corresponding debit to trade receivables in regard to amount paid under protest, adjusted with Balance with Govt. Authorities.

6.2 Short term provisions

Rs in lakhs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Provision for Employee benefits		
Leave Encashment*	36.55	79.28
	36.55	79.28

* Includes cumulative provision recorded in current year.



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, 2016

8 Trade receivable

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured		
Exceeding six months	-	-
Others	3,318.55	4,487.13
Considered good	3,318.55	4,487.13

9.1 Short term loans & advances includes :

Particulars	As at 31 st March, 2016	Rs in lakhs As at 31 st March, 2015
Advance to JSPL's other business [Refer note 2(i)(d)]	-	-
Balance with Government Authorities	2,000.00	5,817.06
Advance IT & TDS	0.60	-
	2,000.60	5,817.06

9.2 Other Current Assets :

Particulars	As at 31 st March, 2016	Rs in lakhs As at 31 st March, 2015
Unbilled Revenue	8,653.17	-
	8,653.17	-

10 Other operating revenue includes :

Particulars	Year ended 31st March, 2016	Rs in lakhs Year ended 31st March, 2015
Meter rent and other charges recovered	11.13	10.98
	11.13	10.98

11 Purchase of power includes :

Particulars	Year ended 31st March, 2016	Rs in lakhs Year ended 31st March, 2015
Purchase cost	22,600.74	22,441.26
Current Year: 7533.58 lakhs units (Previous Year 7480.42 lakhs units)		
Renewable power obligation expenses	964.86	1,281.77
	23,565.60	23,723.03

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

Particulars	Year ended 31st March, 2016	Rs in lakhs Year ended 31st March, 2015
Stores and Spares Consumed	46.60	104.10
Repairs and Maintenance-Building	3.15	0.13
Repairs and Maintenance-Plant and Machinery	10.55	56.22
General Repairs and Maintenance	17.41	36.87
	77.71	197.32

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

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries and wages	581.06	454.19
Contribution to Provident and other funds	63.96	21.36
Staff welfare expenses	30.12	32.46
	675.14	508.01



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, 2016

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

Rs in lakhs		
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Legal and professional charges	160.37	167.07
Security expenses	16.48	17.47
Fees and taxes	14.59	12.73
Hire charges	2.66	11.11
Travel and conveyance expenses	9.29	6.76
Advertisement and publicity	-	-
Corporate office expenses	61.53	57.15
Social Welfare	22.31	58.93
Insurance Premium	1.25	1.71
Bad debts written-off	-	24.37
Others	41.67	21.64
	330.15	378.94

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

Rs in lakhs		
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest on apportioned long term borrowings	-	19.66
Interest on short term borrowings	445.38	95.58
Interest on security deposits	300.63	262.30
Interest on security deposits- Penal Int	157.42	-
Less : Delay payment surcharge/ Intt recd fm Customers	(99.01)	(18.07)
	804.42	359.47

- 14 (a) These Financial Statements for the year ended 31st March 2016 of licensed business of distribution and retail supply of electricity businesses, as identified and compiled by the management have been prepared for onward submission with Chhattisgarh State Electricity Regulatory Commission. Therefore the compliance required under Accounting Standards 3, 15 & 18 and certain disclosure required under Schedule III including under Part II of schedule III of Companies Act, 2013 in respect of CIF value of imports, expenditure/ income in foreign currency, value of all imported and indigenous raw materials and stores & spares consumed and also disclosure of contingent liabilities, capital commitments, EPS and MSME etc. have not been made in these financial statements; the disclosure of the same have been made in the financial statements prepared for the Company as whole at the end of the financial year i.e. 31st March 2016.
- (b) These financial statements / financial information have been extracted and compiled by the management based on audited financial statements of the Company (Jindal Steel & Power Limited) for the financial year ended 31st March 2016.
- (c) Certain balances of borrowings, other liabilities (including provisions), trade receivables, loan & advances and other assets are subject to confirmation and/or reconciliation.
- 15 (a) During the previous year, in accordance with the Companies Act 2013, the Division had 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.
- (b) During the current year, the division has upward revised useful life of certain class of fixed assets based on internal assessment and technical estimate. The division believes that the useful life best represents the period over which division expects to use these assets. The above changes has taken place with effect from 1st April 2015 and accordingly the depreciation expenses for the year ended 31st March 2016 is lower by Rs. 294.27 lakhs.
- 16 Opening figures of assets and liabilities as at 1st April 2015 and previous year figures have been taken from audited financials (Transmission) audited by predecessor auditor. Previous year figures have been regrouped whenever necessary to confirm with this year classification.

As per our report of even date

For LODHA & CO.
 ICAI Firm Registration Number: 301051E
 Chartered Accountants

Partner

Membership No 8518

Place: New Delhi

Date: 30/09/2017



For Jindal Steel & Power Ltd

Rajeev R. Bhaduria
 Wholetime Director
 DIN- 00376562

Place: New Delhi
 Date: 30/09/2017

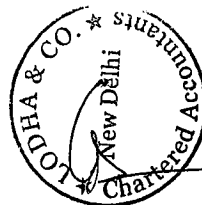
7. Fixed Assets

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, 2016

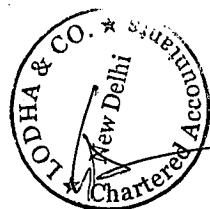
Rs in lakhs

Particulars	Gross carrying value			Depreciation				Net carrying value	
	As at 1st April,2015	Additions	Disposal/ Adjustment	As at 31st March,2016	As at 1st April,2015	For the Year	Disposal/ Adjustment	As at 31st March,2016	As at 31st March,2015
Tangible Assets									
Land - Lease Hold	32.27	-	-	32.27	2.47	0.33	-	29.47	29.80
Factory Building	109.46	-	-	109.46	36.08	3.39	-	69.99	73.38
Non Factory Building	282.54	-	-	282.54	255.63	0.49	-	26.42	26.91
Plant and Machinery	2,335.09	-	-	2,335.09	1,529.62	98.72	-	706.75	805.47
Air Conditioner	8.14	-	-	8.14	7.73	-	-	0.41	0.41
Furniture and Fixtures	2.91	-	-	2.91	2.58	0.13	-	0.20	0.33
Computers	0.67	-	-	0.67	0.64	-	-	0.03	0.03
Office Equipments	1.36	-	-	1.36	1.35	-	-	0.01	0.01
Light Vehicles	0.47	-	-	0.47	0.28	0.04	-	0.15	0.19
Current year	2,772.91	-	-	2,772.91	1,836.38	103.10	*	833.43	936.53
Previous year	3,287.42	-	-	2,772.91	1,217.43	618.95	*	936.53	2,069.99

* refer note no. 15



EQUITY & LOAN DETAILS OF DISTRIBUTION BUSINESS												
Year	Gross Block	CWIP	Consumer Contribution	Revised GB	Equity %	Equity	Debt	Deprn	Revised loan balance	Average Balance	Interest Rates	Interest Amount (Rs)
2003-04	0.06	-	-	0.06	48%	0.03	0.03	0.00	0.03	0.02		
2004-05	866.26	139.44	317.00	688.70	49%	336.79	351.91	19.83	332.10	166.07		
2005-06	165.38	331.69	108.50	388.57	44%	169.69	218.88	41.62	509.36	420.73		
2006-07	977.95	672.96	19.00	1,631.91	47%	771.89	860.02	57.30	1,312.08	910.72		
2007-08	132.30	-	1.00	131.30	51%	66.87	64.43	140.82	1,235.69	1,273.88		
2008-09	1.38	-	1.00	0.38	54%	0.20	0.18	159.67	1,076.19	1,155.94		
2009-10	-	-	17.40	-17.40		-	-17.40	159.71	899.08	987.64		
2010-11	-	-	39.60	-39.60		-	-39.60	159.67	699.81	799.45		
2011-12	-	-	11.00	-11.00		-	-11.00	159.60	529.21	614.51		
2012-13	-	-	-	-		-	-	159.60	369.61	449.41		
2013-14	-	-	-	-		-	-	159.60	210.01	289.81	11.50%	33.33
2014-15	-	-	-	-		-	-	210.01	0.00	105.01	11.50%	12.08
2015-16	-	-	-	-	100%	-	-	103.10	0.00	0.00	11.50%	0.0
								-				
	2,143.33	1,144.09	514.50	2,772.92		1,345.48	1,427.44	1,530.54				



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 2016

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 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 Company 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 15.
- 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, Other Current Liabilities and Provisions are as estimated by the management.
- d. Short term borrowing/ advance from/to JSPL's other business represent difference between equity and net 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 2016

- 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 allocated on reasonable basis as estimated by the management.
- 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 allocated on reasonable basis as estimated by the management.
- h. Administrative & 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 as estimated by the management.
- i. Finance Cost: Interest on apportioned long term borrowings has been considered at the rate of 11.50% per annum on the average of long term borrowing outstanding as at the beginning and end of the year. 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 expense on security deposit is being booked on accrual/actual computation basis.
- j. Income tax/deferred tax computation is calculated for whole business of the company and is not allocated to power distribution business.
- k. Assets (other than fixed assets) and liabilities to distribution business (including under current and non-current) has been done on reasonable basis as estimated by the management.

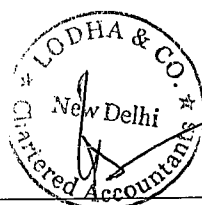
ii) Use of Estimates

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.



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 2016

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 Company 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 except for certain assets specified below. 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.

Leasehold land is amortised over the period of lease.

Plant & Machinery- Up to 40 years

iv) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.



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 2016

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. The Company presents liability in respect of compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

vii) Provisions, contingent liabilities, commitments and contingent assets

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a 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.

viii) 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) 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.

ix) Other accounting policies are same as of stated in note no. 2 Significant Accounting Policies of company as a whole financial statement for the year ended 31st March 2016.

