

**Auditor's Report**  
**To the Members of M/s. Jindal Power Trading Company Limited**  
**(Formerly known as M/s Chattisgarh Energy Trading Company Limited)**

We have audited the attached Balance Sheet of M/s Jindal Power Trading Company Limited (formerly known as M/s Chattisgarh Energy Trading Company Limited) as at 31<sup>st</sup> March, 2010 and Cash Flow Statement of the company for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.

We conducted our Audit in accordance with Auditing Standards Generally Accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report that:

1. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above, we report that:
  - (i) 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.
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
  - (iii) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance Sheet and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.



## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 1 of our Report of even date of accounts of M/s Jindal Power Trading Company Limited (formerly known as M/s Chattisgarh Energy Trading Company Limited) for the year ended 31st March, 2010)

- i.
  - (a) The Company does not have fixed assets therefore maintenance of reasonable proper records showing particulars including quantitative details and situation of fixed assets are not applicable.
  - (b) As the company does not have any fixed assets, hence physical verification to be done by the management during the year at reasonable intervals is not applicable.
  - (c) According to information and explanation given to us, since the company does not have any fixed assets, hence company has not disposed off a substantial part of the fixed assets during the year.
- ii.
  - (a) The Company does not have inventory therefore physically verification during the period has not been done by the management.
  - (b) As the Company does not have any Inventory, hence the applicability of procedures of physical verification followed by the management in relation to the size of the Company and the nature of its business does not arise.
  - (c) As the Company does not have any Inventory, hence the company is not maintaining proper records of inventory and therefore no Discrepancies noticed on verification between physical stocks and the book records.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted or taken unsecured loan to and from parties covered in the register maintained under section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- v. According to information and explanation given to us, we are of opinion that transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- vi. In our opinion and according to the information & explanations given to us, the company has not accepted deposits from the public. Hence Provisions of section 58A, 58AA or other relevant provisions of the companies Act 1956 and the companies (Acceptance of



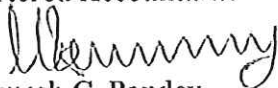
- xv. In our opinion the company has not given any guarantee for loan taken by others from bank or financial institutions, accordingly the provisions of clause 4 (xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xvi. The company has not obtained Term Loan during the period under audit. Therefore, the utilization for the purposes for which they were taken does not arise.
- xvii. According to the information and explanation given to us, no funds have been raised on short term basis and therefore have not been utilized for long term investment.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- xix. According to the information and explanations given to us, the company has not issued debentures.
- xx. According to the information and explanations given to us, the company has not raised money by public issue.
- xxi. According to the information and explanations given to us, no fraud on or by the company, noticed and reported during the period.

Place : New Delhi

Dated : 1<sup>st</sup> May 2010



For B. M. Chatrath & Co.,  
Chartered Accountants

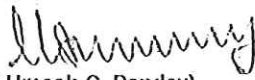


Umesh C. Pandey  
Partner

**JINDAL POWER TRADING COMPANY LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

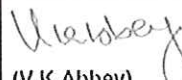
Particulars	For the Year ended 31st March 2010 (Amount in Rs.)	For the Year ended 31st March 2009 (Amount in Rs.)
<b>INCOME</b>		
Service Charges	567,300.00	62,000.00
Interest Income	4,603,993.00	4,330,083.00
Other Income	2,050.00	893,538.00
<b>TOTAL</b>	<b>5,173,343.00</b>	<b>5,285,621.00</b>
<b>EXPENDITURE</b>		
Bank charges	3,848.00	13,571.00
Bid Expenses	-	201,899.00
Filling Fees	6,000.00	4,000.00
Legal & Professional Fees	2,700.00	2,004,400.00
Licence Fees	40,000.00	678,083.00
Membership & Subscription	1,358,219.00	1,255,000.00
Printing & Stationary	-	9,776.00
Miscellaneous Expenditure	120,367.00	30,027.00
Audit fees	16,545.00	11,030.00
<b>TOTAL</b>	<b>1,547,679.00</b>	<b>4,207,786.00</b>
Profit/ (Loss) before tax	3,625,664.00	1,077,835.00
Less: Provision for tax:	-	-
-Current tax	1,119,697.00	333,051.00
-Deferred tax Liabilities / (Assets)	-	-
Add: Excess Provision written back	-	-
Profit/ (loss) after tax	2,505,967.00	-
Profit/ (loss) brought forward from last year	744,784.00	-
Balance Carried to Balance Sheet	<b>3,250,751.00</b>	<b>744,784.00</b>

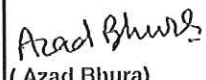
In terms of our report of even date  
FOR B.M.CHATRATH & CO.  
Chartered Accountants

  
( Umesh C. Pandey )  
Partner  
Membership No. 55252


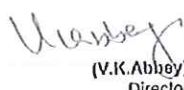
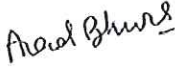


PLACE : New Delhi  
DATED : 1<sup>st</sup> May 2010

  
(V.K.Abbey)  
Director

  
(Azad Bhura)  
Director

**JINDAL POWER TRADING COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

PARTICULARS		For the year ended 31st March 2010 (Amt. In Rs.)	For the year ended 31st March 2009 (Amt. In Rs.)
<b>A CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and extraordinary items		3,625,664	1,077,835
Preliminary expenses written off		120,367	30,027
Interest receivable		(4,603,993)	(4,330,083)
Cash flow before working capital changes		(857,962)	(3,222,221)
Adjustments For :-			
Sundry Debtors		(250,000)	-
Other Current Assets		(2,005,515)	1,995,851
Current Liabilities & Provisions		(460,400)	(1,349,293)
Tax Paid		(3,573,877)	(2,575,663)
Cash outflow from Operating Activities			
<b>B CASH INFLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES</b>			
Sale of Investment		-	27,106,462
Loan & Advances ( Assets)		(20,143,593)	(4,745,870)
Interest Income		4,603,993	4,330,083
Interim Dividend Receivables		(1,050)	-
Cash outflow from Investing Activities		(15,540,650)	26,690,675
<b>C CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>			
Issue of Equity Share Capital		-	-
Repayment of Borrowings		-	-
Proceeds from Borrowings		-	-
Net cash Inflow/(outflow) from Financing Activities		-	-
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS(A+B+C)</b>		<b>(19,114,527)</b>	<b>24,115,012</b>
Cash & Cash equivalents (Opening Balance)		27,583,668	3,468,656
Cash & Cash equivalents (Closing Balance)		<b>8,469,141</b>	<b>27,583,668</b>
<u>Note:</u>			
1 Cash & Cash Equivalents represents Cash & Bank balances.			
In terms of our report of even date			
For B.M.Chatrath & Co. Chartered Accountants		 (V.K.Abbey) Director	 (Azad Bhura) Director
( Umesh C. Pandey ) Partner M.No.55252			
PLACE : New Delhi DATED : 2 <sup>nd</sup> May 2010			


A. List of Related Parties & Relationships


Holding Company:  
- Jindal Power Limited

B. Transactions with Related Parties

Nature of Transactions	Holding Company	
	Current Year	Previous Year
Amount received against issue of Equity Shares Capital	Nil	Nil
Service Charges on sale of power (received)	5,67,300/-	62,000/-
Loan & advance received	Nil	Nil
Given		
Outstanding Balance as on 31.03.2010 Sundry Creditors	Nil	Nil

For B.M.Chatrath & Co.  
Chartered Accountants

  
(Umesh C. Pandey)  
Partner  
M.No.55252

  
(V.K.Abbey)  
Director

  
(Azad Bhura)  
Director

Place: New Delhi

Dated: 1<sup>st</sup> May 2010



IV Performance of company (Amount in Rs.)

Turnover

							N	I	L
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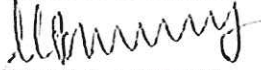
Total Expenditure

							N	I	L
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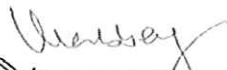
In terms of our report of even date attached

FOR B.M.CHATRATH & CO.

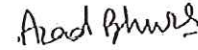
Chartered Accountants



(UMESH C. PANDEY)  
PARTNER



(V.K.ABBEY)  
DIRECTOR



(AZAD BHURA)  
DIRECTOR

Place : New Delhi

Dated : 1<sup>st</sup> May 2010