

Auditor's Report
To the Members of M/s. Jindal Power Trading Company Limited

We have audited the attached Balance Sheet of M/s Jindal Power Trading Company Limited as at 31st March, 2012 and the Statement of Profit & Loss for the year ended on that date annexed thereto and also the 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, as amended by the companies (Auditor's Report) (Amendment) Order, 2004(together the order), 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

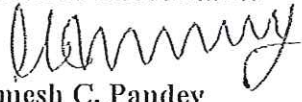


- (v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
- (b) In case of the Statement of Profit & Loss for the year ended on that date;
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : New Delhi
Date : 23.04.2012



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


Umesh C. Pandey
Partner
M.N.-55252

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 for the year ended 31st March, 2012)

- i. The Company does not have any Fixed Assets, hence sub clause (a),(b),and (c) of the said Order is not applicable.
- ii. The Company does not hold any inventory, hence sub clause (a), (b), and (c) of the said Order is not applicable.
- iii. In our opinion and according to the information and explanations give 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 fixed assets. 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, No transactions were entered during the year that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956.
- 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 Deposit) Rules, 1975 with regards to the deposits accepted from the public is not applicable.
- vii. In our opinion and according to the information and explanation given to us, the company has an internal control system commensurate with the size and nature of its business.
- viii. According to the information and explanation given to us maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of the section 209 of the Act.
- ix. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Cess and any other statutory dues applicable to it.

(b) According to the information and explanation given to us no undisputed amount payable in respect of Income Tax, Sales Tax and Cess were in arrears as at 31st



March, 2012 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us no there are no dues of Sales Tax, Income Tax and Cess, which have not been deposited on account of any dispute.

- x. In our opinion the company does not have any accumulated losses. The company has not incurred cash losses in the current year under audit.
- xi. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank and or debenture holders.
- xii. In our opinion and according to the information and explanation given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and others securities.
- xiii. In our opinion and according to the information and explanation given to us, the company is not a Chit Fund or a Nidhi Mutual Benefit Fund/ Society therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- 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 year 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 any debentures.
- xx. According to the information and explanations given to us, the company has not raised money by public issue.

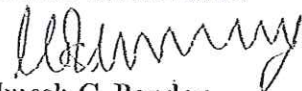


xxi. According to the information and explanations given to us, no fraud on or by the company, noticed and reported during the year.

Place : New Delhi
Dated : 23.04.2012

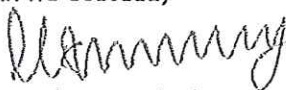

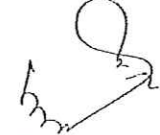

For B. M. Chatrath & Co.,
Chartered Accountants




Umesh C. Pandey
Partner
M.N.-55252

JINDAL POWER TRADING COMPANY LIMITED

Balance Sheet as at 31st March, 2012

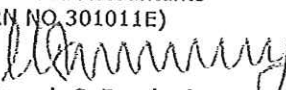

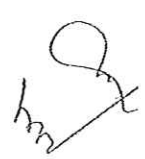

Particulars	Note No	As at the end of 31st March 2012 (Amount in Rs.)	As at the end of 31st March 2011 (Amount in Rs.)
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	76,000,000	76,000,000
Reserves and Surplus	2	6,692,730	5,205,776
Current Liabilities			
Trade payables	3	913,906	-
Other current liabilities	4	1,807,262	1,495,460
Short-term provisions	5	1,507,262	1,307,074
Total		86,921,159	84,008,310
II. ASSETS			
Non-current assets			
Non-current Investments	6	33	-
Long term loans and advances	7	82,480,152	78,459,347
Current assets			
Current investments	8	35,478	45,478
Trade receivables	9	559,178	-
Cash and cash equivalents	10	2,133,496	2,862,974
Other current assets	11	1,712,822	2,640,511
Total		86,921,159	84,008,310
The accompanying Notes and Significant accounting policies form an integral part of this balance sheet.			
In terms of our report of even date For B.M. Chatrath & Co. Chartered Accountants (FRN NO 301011E)			
 (Umesh C. Pandey) Partner Membership No.55252		 (Rajesh Bhatia) Director	 (Azad Bhura) Director
PLACE : New Delhi DATED : 23 rd April 2012			

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JINDAL POWER TRADING COMPANY LIMITED

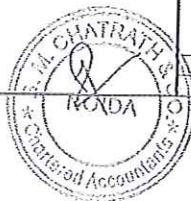
Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No	For the period ending 31st March 2012 (Amount in Rs.)	For the period ending 31st March 2011 (Amount in Rs.)
Service Charges	12	365,967	211,495
Other Income		4,886,855	4,903,250
Total Revenue (A)		5,252,822	5,114,745
Consultancy Fees		596,448	-
Interest & Finance Charges		925	78,624
Filing Fees		5,154	2,000
Legal & Professional Fees		895,406	892,355
Licence Fees		250,000	250,000
Training Fees		114,506	-
Membership & Subscription		830,900	250,000
Conveyance, Tour & Travelling		83,854	227,043
Printing & Stationary		402,970	366,433
Audit fees		26,966	24,818
Periodicals & subscription		25,500	157,860
Miscellaneous Expenses		-	2,516
Total Expenses (B)		3,232,629	2,251,649
Profit before Tax (A-B)		2,020,193	2,863,096
Tax expense:			
(1) Current tax		533,239	908,071
(2) Deferred tax		-	-
Profit/(Loss) for the period		1,486,954	1,955,025
Earning per equity share		0.20	0.26
In terms of our report of even date FOR B.M.CHATRATH & CO. Chartered Accountants (FRN NO 301011E)			
 (Umesh C. Pandey) Partner Membership No. 55252		 (Rajesh Bhatia) Director	 (Azad Bhura) Director
PLACE : New Delhi DATED : 23rd April 2012			

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Notes to the Financial Statements as at the end of 31st March 2012

JINDAL POWER TRADING COMPANY LIMITED	As at the End of 31st March 2012 (Amount in Rs.)	As at the End of 31st March 2011 (Amount in Rs.)
NOTE -1 SHARE CAPITAL Authorised 80,00,000 Equity Shares (Previous Year 80,00,000 Equity Shares) of Rs.10 each TOTAL	80,000,000 80,000,000	80,000,000 80,000,000
Issued, Subscribed and fully paid up 76,00,000 Equity Shares (Previous Year 76,00,000) of Rs.10 each fully paid TOTAL	76,000,000 76,000,000	76,000,000 76,000,000
The reconciliation of the no. of shares outstanding as at March 31st, 2012 and March 31st, 2011 is set out below.		
Particulars	No of Shares	No of Shares
Number of Shares at the beginning	76,00,000	76,00,000
Add: Shares Issued during the year	-	-
Number of Shares at the end	76,00,000	76,00,000
Details of each Shareholder holding more than 5% shares :-	No of Shares Held	No of Shares Held
Name of Shareholder		
M/s Jindal Power Limited	6,030,000	6,030,000
M/s Opellna Finance and Investment Ltd	784,800	784,800
M/s Gagan Infraenergy Ltd	784,800	784,800
The Company has only one class of Equity Shares having face value of Rs. 10 per share. Each Shareholder of equity share is entitled to one vote per share and also have equal right in distribution of profits and surplus in proportion to the number of equity shares held by equity shareholders.		
NOTE- 2 RESERVES & SURPLUS General Reserve Surplus in Profit and Loss Statement TOTAL	5,205,776 1,486,954 6,692,730	3,250,751 1,955,025 5,205,776
NOTE- 3 TRADE PAYABLES Sundry Creditors TOTAL	913,906 913,906	- -
NOTE- 4 OTHER CURRENT LIABILITIES Duties & Taxes Current Liabilities TOTAL	168,169 1,639,093 1,807,262	93,541 1,401,919 1,495,460
NOTE- 5 SHORT TERM PROVISIONS Provision for Taxation TOTAL	1,507,262 1,507,262	1,307,074 1,307,074
NOTE- 6 NON CURRENT INVESTMENTS Non Current Investment Investment in Fellow Subsidiaries (at Cost) Attunil Hydro Electric Power Company Limited (1 Equity Share(PY Nil) of Rs 10 each) Etalln Hydro Electric Power Company Limited (1 Equity Share(PY Nil) of Rs 10 each) Subansiri Hydro Electric Power Company Limited (1 Equity Share(PY Nil) of Rs 10 each) TOTAL	11 11 11 33	- - - -
NOTE- 7 LONG TERM LOANS AND ADVANCE Loans & Advances Security Deposits TOTAL	78,480,152 4,000,000 82,480,152	74,459,347 4,000,000 78,459,347
NOTE- 8 CURRENT INVESTMENTS 1500 Equity shares of Jindal Power Ltd. Investment -Current , Non- Trade (Unquoted) (at lower of cost or market value) 2447.037 units of LIC mutual fund- Liquid fund-Growth Plan TOTAL	- 35,478 35,478	10,000 35,478 45,478
NOTE- 9 TRADE RECEIVABLES Trade Receivables (unsecured, considered good) TOTAL	559,178 559,178	- -
NOTE- 10 CASH & CASH EQUIVALENTS Balances with Banks in Current Accounts Cash on Hand TOTAL	2,132,683 813 2,133,496	2,861,974 1,000 2,862,974
NOTE- 11 OTHER CURRENT ASSETS Balances with Government Authorities and Others Advance recoverable in cash or in kind or for value to be received TOTAL	1,712,822 - 1,712,822	2,364,761 275,750 2,640,511



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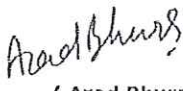

Notes to the Financial Statements as at the end of 31st March 2012

JINDAL POWER TRADING COMPANY LIMITED	As at the End of 31st March 2012 (Amount in Rs.)	As at the End of 31st March 2011 (Amount in Rs.)
NOTE- 12		
OTHER INCOME		
Interest Income	4,467,561	4,903,250
Dividend Income	2,850	-
Profit on Sale of Investments	294,500	-
Interest on Income Tax Refund	121,944	-
TOTAL	4,886,855	4,903,250



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JINDAL POWER TRADING COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	NOTE	For the Year ended 31st March 2012 (Amount In Rs.)	For the Year ended 31st March 2011 (Amount In Rs.)
A CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary Items		2,020,193	2,863,096
Preliminary expenses written off		-	-
Interest receivable		(4,467,561)	(4,903,250)
Cash flow before working capital changes		(2,447,368)	(2,040,154)
Adjustments For :-			
Profit on Sale of Investments		(294,500)	-
Dividend Received		(2,850)	-
Other Current Assets		368,511	(25,750)
Current Liabilities & Provisions		1,225,708	1,472,984
Tax Paid		(333,051)	(1,504,622)
Cash outflow from Operating Activities		(1,483,551)	(2,097,542)
B CASH INFLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES			
Loan & Advances (Assets)		(4,020,805)	(8,412,925)
Interest Income		4,467,561	4,903,250
Interim Dividend		2,850	1,050
Sale of Investment		304,500	-
Purchase of Equity Shares		(33)	-
Cash outflow from Investing Activities		754,073	(3,508,625)
C CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	-
Net cash inflow/(outflow) from Financing Activities		-	-
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)		(729,478)	(5,606,167)
Cash & Cash equivalents (Opening Balance)		2,862,974	8,469,141
Cash & Cash equivalents (Closing Balance)		2,133,496	2,862,974
Note:			
1 Cash & Cash Equivalents represents Cash & Bank balances.			
In terms of our report of even date For B.M.Chatrath & Co. Chartered Accountants (FRN NO 301011E)			
(Umesh C. Pandey) Partner Membership No.55252		(Rajesh Bhatia) Director	(Azad Bhura) Director
PLACE : New Delhi DATED : 23 rd April 2012			

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Jindal Power Trading Company Limited

13. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Basis of Preparation of Financial Statements:

The financial statement is prepared under the historical cost convention, on going concern concept and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The company follows the mercantile system of accounting and recognizes Income & Expenditure on an accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

2. In opinion of the Board, Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.
3. Current investments are carried at cost lower of Market value.
4. Provision for Income Tax has been made on the Profit of Profit and Loss Accounts for the year ending March 31st, 2012.

5. The details of Auditor's Remuneration are as under: (Amount in Rs.)

	As on 31.03.12	As on 31.03.2011
Statutory Audit Fee	18,530.00	16,545.00
Tax Audit Fees	8,427.00	--
	<u>26,957.00</u>	<u>16,545.00</u>

6. Related Party Disclosure as required by Accounting Standard - 18 issued by The Institute of Chartered Accountants of India: -

A. List of Related Parties & Relationships

- a) Holding Company
- Jindal Power Limited
- b) Ultimate Holding Company
- Jindal Steel & Power Limited



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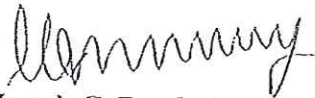
B. Transactions with Related Parties

(Amount in Rs.)

Nature of Transactions	Ultimate Holding Company		Holding Company	
	Current Year	Previous Year	Current Year	Previous Year
Creditor as on 31.03.2012	9,13,905.60	Nil	Nil	Nil
Service Charges on sale of power	2,400	Nil	3,63,567	2,11,495
Dividend Income	Nil	Nil	2,850	Nil
Purchase of Equity Shares of Fellow Subsidiaries	Nil	Nil	30	Nil

7. No amounts are outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent of information available with the Company.
8. Till the year 31.03.2011 the Company was using Schedule VI of the Companies Act 1956 for preparation and presentation of financial statements. During the year ended 31st March, 2012 the Revised Schedule VI notified under the companies Act 1956, has become applicable to the Company. The Company has reclassified previous year's figures to confirm to this year classification. The adoption of Revised Schedule VI doesn't impact the recognition and measurement principals followed for preparation of Financial Statements.


For B.M.Chatrath & Co.
Chartered Accountants
(FRN NO 301011E)



(Umesh C. Pandey)
Partner
Membership No.55252



(Rajesh Bhatia)
Director



(Azad Bhura)
Director



Place: New Delhi

Dated: 23rd April 2012.

