

Shah Gupta & Co.
Chartered Accountants

38. Bombay Mutual Building,
2nd Floor, Dr. D N Road, Fort,
Mumbai - 400 001

Tel: + 91(22) 4085 1000
Fax: + 91(22) 4085 1015
Email: contact@shahgupta.com
Web: www.shahgupta.com

INDEPENDENT AUDITORS' REPORT

To the Members of Barbil Iron Ore Company Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Barbil Iron Ore Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 design, implementation and maintenance of adequate internal financial controls, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditors' 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 Company'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. An audit also includes evaluating the appropriateness of the 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 standalone financial statements.

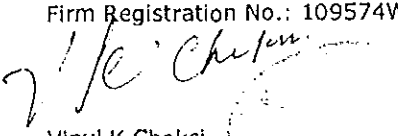
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. The Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) The aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the Internal financial controls over financial reporting the Company and operative effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation;
 - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2016 for which there were any material foreseeable losses; and
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W


Vipul K Choksi
Partner
M. No.37606

Place: Mumbai
Date : April 28, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

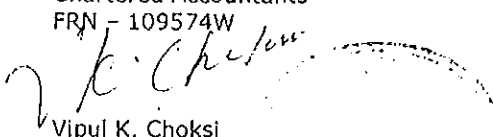
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) As the Company does not have Fixed Asset, the Clauses (i)(a), (i)(b) & (i)(c) of paragraph 3 of the Order are not applicable to the Company.
- (ii) As the Company does not have inventory, the Clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) According to the information and explanations provided by the management, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- (iv) The Company has not made any investments, advances or loans during the year. Accordingly, clause (iv) of paragraph 3 of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues which were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
(b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
- (xi) The Company has not paid managerial remuneration during the year. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **SHAH GUPTA & CO**

Chartered Accountants

FRN - 109574W


Vipul K. Choksi
Partner

M. No.37606

Place: Mumbai

Date : April 29, 2016

Annexure - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Barbil Iron Ore Company Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or

timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

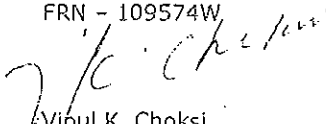
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO**
Chartered Accountants
FRN - 109574W


Vipul K. Choksi

Partner

M. No.37606

Place: Mumbai

Date : April 28, 2016



BARBIL IRON ORE COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

(In Rupees)

	Particulars	Note No	As on 31.03.2016	As on 31.03.2015
I.	<u>EQUITY AND LIABILITIES</u>			
(1)	Shareholders' Funds			
	(a) Share Capital	2	6,50,000	6,50,000
	(b) Reserve & Surplus	3	(1,32,906)	(1,00,704)
			5,17,094	5,49,296
(2)	Current Liabilities			
	Other Current Liabilities	4	12,000	12,000
			12,000	12,000
	Total		5,29,094	5,61,296
II	<u>ASSETS</u>			
(1)	Current Assets			
	Cash and Bank Balances	5	5,29,094	5,61,296
			5,29,094	5,61,296
	Total		5,29,094	5,61,296
	Significant Accounting Policies & Other Notes	1 & 7		

The notes referred herein are an integral part of the financial statements

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants

Firm Registration No. 109574W

Vipul K. Choksi
Partner
M. No. 37606



For and on behalf of the Board of Directors

Rajeev Pai
Director

Vineet Agrawal
Director

Place : Mumbai

Date : 28/04/2016

Place : Mumbai

Date : 28/04/2016

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BARBIL IRON ORE COMPANY LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	Note No.	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
I.	Expenses:			
	Other Expenses	6	32,202	43,456
	Total Expenses		32,202	43,456
II.	Loss Before Tax (II- III)		(32,202)	(43,456)
III.	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
IV.	Loss After Tax (IV-V)		(32,202)	(43,456)
(Earnings Per Equity Share			
	[Nominal Value per Share of Rs 10 Each]	7 (e)		
	(1) Basic		(0.50)	(0.63)
	(2) Diluted		(0.50)	(0.63)
	Significant Accounting Policies & Other Notes	1 & 7		

The notes referred herein are an integral part of the financial statements

As per our attached report of even date

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No. 109574W

Vipul K. Choksi
Partner

M. No. 37606



Place : Mumbai

Date : 28/04/2016

For and on behalf of the Board of Directors

Rajeev Pai
Director

Vineet Agrawal
Director

Place : Mumbai

Date : 28/04/2016

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BARBIL IRON ORE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE MONTH ENDED 31st MARCH, 2016

Particulars	For the Month Ended 31.03.2016	For the Year Ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	(32,202)	(43,456)
Adjustment for:		
Depreciation	-	-
Share Issue Expense	-	-
Profit on sale of Fixed Assets	-	-
Operating Profit Before Working Capital Changes	(32,202)	(43,456)
Adjustments for:		
(Increase)/Decrease in Short-Term Loans & Advances	-	-
(Increase)/Decrease in Other Current Assets	-	-
(Increase)/Decrease in Long-Term Loans & Advances	-	-
Increase/(Decrease) in Current Liabilities	-	(510)
Cash flow before taxation	(32,202)	(43,966)
Direct Taxes (Paid) / Refund During the Year	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	(32,202)	(43,966)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
(Purchase)/Sale of Fixed Assets and Capital Advances	-	-
(Purchase)/Sale of Current Investments	-	-
NET CASH USED IN INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Equity Shares	-	1,50,000
Proceeds/(Repayment) from/of Short-Term Borrowings	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	(0)	1,50,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(32,201)	1,06,034
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5,61,296	4,55,262
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,29,094	5,61,296

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

Vipul K. Choksi
Partner
M No. 37606

Place : Mumbai

Date: 28/04/2016



For and on behalf of the Board of Directors

[Signature]

Rajeev Pai
Director

Place : Mumbai

Date : 28/04/2016

[Signature]

Vineet Agrawal
Director



BARBIL IRON ORE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Note 2		
Share Capital		
Authorised :		
100,000 (Previous Year 100,000) Equity Shares of Rs.10 Each	10,00,000	10,00,000
	10,00,000	10,00,000
Issued, Subscribed & Paid Up Capital		
65,000 (Previous Year 65,000) Equity Shares of Rs.10 Each Fully Paid Up	6,50,000	6,50,000
	6,50,000	6,50,000

a. Reconciliation of Shares Outstanding at the beginning and at the end of the year

Equity Shares	As at 31.03.2016		As at 31.03.2015	
	No of shares	Rs.	No of shares	Rs.
At the Beginning of the Year	65,000	6,50,000	50,000	5,00,000
Issued During the year	-	-	15,000	1,50,000
Outstanding at the year ended	65,000	6,50,000	65,000	6,50,000

b. Terms / Rights attached to Equity shares

Company has only one class of Equity Shares having par value of Rs. 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of Liquidation of the Company, the holders of Equity Shares will be Entitled to receive remaining Assets of the Company, after distribution of all preferential Amounts. The distribution will be in proportion to the number of Equity Shares held by the share holder.

c. Shares held by Holding Company

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of shares	Rs.	No of shares	Rs.
Barbil Beneficiation Company Limited (including shares held by nominee shareholders)	65,000	6,50,000	65,000	6,50,000
	65,000	6,50,000	65,000	6,50,000

d. Details of Shareholders Holding more than 5% of the aggregate Shares in the Company

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of shares	Rs.	No of shares	Rs.
Barbil Beneficiation Company Limited	65,000	6,50,000	65,000	6,50,000
	65,000	6,50,000	65,000	6,50,000

(In Rupees)

Note 3

Reserves and Surplus:

Balance in the Statement of Profit and Loss:

Deficit as per last Balance Sheet

Add : Loss during the year

Balance at the end of the year

As at 31.03.2016	As at 31.03.2015
(1,00,704)	(57,248)
(32,202)	(43,456)
(1,32,906)	(1,00,704)
12,000	12,000
12,000	12,000
5,29,094	5,61,296
5,29,094	5,61,296
5,000	-
13,437	14,775
13,484	13,484
281	15,197
32,202	43,456

Note 4

Other Current Liabilities

Other Payables

Note 5

Cash and Bank Balances

Cash & Cash Equivalents

Balances with banks in current accounts

Note 6

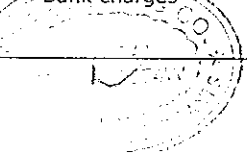
Other Expenses

Rates & Taxes

Legal & Professional Fees

Statutory Audit fees

Bank charges





BARBIL IRON ORE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7

Other Notes to Accounts

The company is supporting in arrangement of iron ore linkages for the proposed Integrated Steel Plant (ISP) to be set up by JSW Bengal Steel Ltd, at Salboni, district of Paschim Medinipur in West Bengal from private mine owners in Barbil, Orissa. However, since the long-term linkages of iron ore supplies, an essential pre-requisite for the ISP, are still in process, the main project erection work of ISP is yet to commence. Actions for renewal / Extension of various statutory permissions in place are in progress to avoid any delays later on this account when the proposed ISP Project is taken up for active implementation.

a. Contingent Liabilities

Contingent Liabilities not provided for:- Nil (Previous Year Nil)

b. Capital Commitments

Expected amount of unexecuted capital contracts (net of advances and deposits) is Nil (Previous Year:- Nil)

c. Segment Reporting

Considering the nature of Company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Accounting Standard 17 - 'Segment Reporting' issued by the Institute of Chartered Accountants of India (ICAI).

d. Related Party Disclosures AS per Accounting Standard 18 (AS - 18)

(1) List of Related Parties:

Parties with whom the Company has entered into transactions during the period:

i) Parent Holding Company:

JSW Bengal Steel Ltd

ii) Holding Company:

Barbil Beneficiation Company Limited

(2) Transactions with Related Parties:

i) Issue of Equity shares

Barbil Beneficiation Co. Ltd.

(In Rupees)	
As at 31.03.2016	As at 31.03.2015
-	1,50,000
-	1,50,000
(32,202)	(43,456)
65,000	68,521
(0.495)	(0.634)

e. Earning Per Share

Profit / (Loss) after Tax for Calculating Basic & Diluted EPS

Weighted average number of equity shares for calculating Basic & Diluted EPS

Earnings Per Share - (Basic & Diluted)

f. Details due to MSE as defined under MSMED Act, 2006

The Company has not received any memorandum (as required to be filed by the supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) from vendors claiming their status as micro, small and medium enterprise. Consequently the disclosure regarding amount unpaid together with interest paid/payable under this Act has not been given.

g. Additional Information Pursuant to the Revised Schedule VI is either Nil or Not Applicable.

h. Previous year figures have also been reclassified/regrouped to confirm to current year's classification

