

**Shah Gupta & Co.**  
Chartered Accountants

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Mumbai - 400 001

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**INDEPENDENT AUDITORS' REPORT**

**To the Members of JSW Energy (Bengal) Limited**

**Report on the standalone financial statements**

We have audited the accompanying standalone financial statements of JSW Energy (Bengal) 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.

### Emphasis of Matter

We draw attention to the following Notes to the Financial Statements

Note 14 (a) regarding the agreement of coal supply from Ichchapur Coal Block will no more be Valid due to the allotment of this coal block has been cancelled by order of The Supreme Court. However, in view of the new Policy of GoI on allocation of Coal Blocks and Coal linkages from Coal India Ltd, the Company is hopeful of establishing fresh coal linkages for its proposed Power Plant Project, with support of Gov. of West Bengal. Accordingly, the decline in value investment and impairment of assets as per AS 13 and AS 28 is not considered necessary by the Management.

The financial statements of the Company have been prepared on a going concern basis for the aforesaid reasons as stated in the Notes 14 (a).

Our opinion is not modified in respect of this matter.

### 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) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) 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;
- (g) 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
- (h) 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 has disclosed impact of the pending litigation on its financial position in its financial statements (Refer Note 14 (b) & (m) to the Financial Statements);

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: Kolkata

Date : April 29, 2016

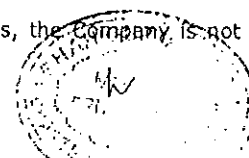
**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investment made
- (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 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. However, according to information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (In Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Income tax and Interest	3,89,36,640	Assessment year 2013 - 2014	The company is in the process of filing appeal before the authority.

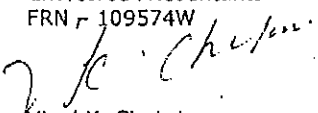
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable
- (ix) The Company did not raise any money by way of initial public offer or further 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

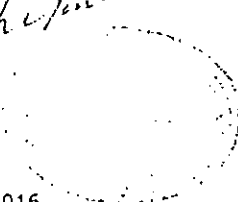


company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable

- (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: Kolkata  
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 JSW Energy (Bengal) 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**

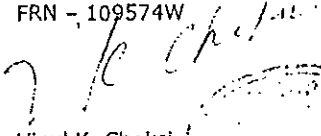
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

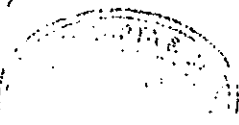
periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

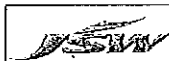
#### Opinion

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: Kolkata  
Date : April 29, 2016





**JSW ENERGY (BENGAL) LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

(In Rupees)

	Particulars	Note No	As at 31.03.2016	As at 31.03.2015
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	Shareholders' Funds			
(a)	Share Capital	2	2875,00,000	2840,40,000
(b)	Reserves and Surplus	3	(578,46,531)	(552,16,110)
			<b>2296,53,469</b>	<b>2288,23,890</b>
(2)	Non-Current Liabilities			
	Long-Term Borrowings	4	8039,46,077	8039,46,077
			<b>8039,46,077</b>	<b>8039,46,077</b>
(3)	Current Liabilities			
	Other Current Liabilities	5	1,69,791	2,15,549
			<b>1,69,791</b>	<b>2,15,549</b>
	<b>TOTAL</b>		<b>10337,69,337</b>	<b>10329,85,516</b>
<b>II</b>	<b>ASSETS</b>			
(1)	Non-Current Assets			
(a)	Fixed Assets			
	(i) Tangible Assets	6	137,97,728	139,19,086
	(ii) Intangible Assets		1,09,662	2,09,349
	(iii) Capital Work-In-Progress	13	233,01,497	226,49,267
			<b>372,08,886</b>	<b>367,77,702</b>
(b)	Non-Current Investments	7	6342,90,000	6336,90,000
(c)	Long-Term Loans and Advances	8	3620,01,950	3621,84,658
			<b>10335,00,836</b>	<b>10326,52,360</b>
(2)	Current Assets			
	Cash and Bank Balances	9	2,68,501	3,33,156
			<b>2,68,501</b>	<b>3,33,156</b>
	<b>TOTAL</b>		<b>10337,69,337</b>	<b>10329,85,516</b>
	Significant Accounting Policies & Other Notes	1 & 14		

As per our attached report of even Date  
For Shah Gupta & Co.  
Chartered Accountants  
Firm Registration No. 109574W

*Vipul K. Choksi*  
Vipul K. Choksi  
Partner  
M. No. 37606



Place : Kolkata  
Date: 29/04/2016

For and on behalf of the Board of Directors


*Biswadip Gupta*  
Biswadip Gupta  
Director

*Alok Mehrotra*  
Alok Mehrotra  
Whole-time Director

*Tushar Kanti Kar*  
Tushar Kanti Kar  
Chief Financial Officer

*Srinidhi Nawalgaria*  
Srinidhi Nawalgaria  
Company Secretary

Place : Kolkata  
Date: 29/04/2016

<div>  <b>JSW ENERGY (BENGAL) LIMITED</b>  <b>STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2016</b>  (In Rupees) </div>				
	Particulars	Note No.	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
I.	Other Income		-	-
II.	Total Revenue		-	-
III.	Expenses:			
	Depreciation and Amortisation Expense	10	2,21,047	2,52,589
	Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed asset with NIL remaining useful life	11		1,33,961
	Other Expenses	12	24,09,374	1,45,353
	Pre-Operative Expenses	13		459,70,478
	Total Expenses		26,30,421	465,02,381
	Total Expenses		26,30,421	465,02,381
IV.	Profit / (Loss) before tax (II - III)		(26,30,421)	(465,02,381)
V.	Profit / (Loss) After Tax		(26,30,421)	(465,02,381)
VI.	Earnings Per Equity Share (Nominal Value per Share of Rs 10 Each) Basic & Diluted	14 (f)	(0.093)	(1.670)
	Significant Accounting Policies & Other Notes	1 & 14		

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

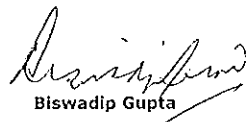
As per our attached report of even date  
For Shah Gupta & Co.  
Chartered Accountants  
Firm Registration No. 109574W

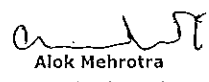
Vipul K. Choksi  
Partner  
M. No. 37606

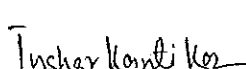


Place : Kolkata  
Date: 29/04/2016

For and on behalf of the Board of Directors

  
Biswadip Gupta  
Director

  
Alok Mehrotra  
Whole-time Director

  
Tushar Kanti Kar  
Chief Financial Officer

  
Srinidhi Nawalgaria  
Company Secretary

Place : Kolkata  
Date: 29/04/2016



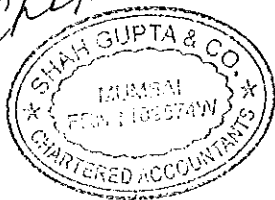
**JSW ENERGY (BENGAL) LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
PROFIT / (LOSS) BEFORE TAX	(26,30,421)	(465,02,381)
Adjustment for:		
Depreciation and Amortisation	2,21,047	3,86,550
Pre-operative Expenses written off (refer note 14)	-	459,70,478
Operating Profit Before Working Capital Changes	(24,09,374)	(1,45,353)
Adjustments for:		
(Increase)/Decrease in Long-Term Loans & Advances	1,82,708	1,09,800
Increase/(Decrease) in Other Current Liabilities	(45,758)	(80,071)
Cash flow before taxation	(22,72,424)	(1,15,624)
Direct Taxes (Paid) / Refund During the Year	-	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(22,72,424)</b>	<b>(1,15,624)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(6,52,230)	(9,78,289)
Investment in Equity Shares of Subsidiary Company	(6,00,000)	(79,40,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(12,52,230)</b>	<b>(89,18,289)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of Equity Shares	34,60,000	89,40,000
Proceeds from Long Term Borrowings	-	2,537
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>34,60,000</b>	<b>89,42,537</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(64,654)</b>	<b>(91,376)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3,33,156</b>	<b>4,24,532</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 9)</b>	<b>2,68,501</b>	<b>3,33,156</b>

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

*Biswadi Gupta*  
Biswadi Gupta  
Director

*Alok Mehrotra*  
Alok Mehrotra  
Whole-time Director

*Tushar Kar*  
Tushar Kar  
Chief Financial Officer

*Srinidhi Nawalgaria*  
Srinidhi Nawalgaria  
Company Secretary

Place : Kolkata  
Date: 29/04/2016

Place : Kolkata  
Date: 29/04/2016



**JSW ENERGY (BENGAL) LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	(In Rupees)	
	As at 31.03.2016	As at 31.03.2015
<b>Note 2</b>		
<b>Share Capital</b>		
Authorised :		
10,00,00,000 (Previous Year 10,00,00,000) Equity Shares of Rs. 10 Each	10000,00,000	10000,00,000
	10000,00,000	10000,00,000
<b>Issued, Subscribed &amp; Paid Up Capital:</b>		
2,87,50,000 (Previous Year 2,84,04,000) Shares of Rs.10/- Each Fully Paid Up	2875,00,000	2840,40,000
	2875,00,000	2840,40,000

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

Equity Shares	31.03.2016		31.03.2015	
	No of shares	Rs.	No of shares	Rs.
Shares outstanding at the Beginning of the Year	284,04,000	2840,40,000	275,10,000	2751,00,000
Shares issued during the year	3,46,000	34,60,000	8,94,000	89,40,000
Share outstanding at the end of the year	287,50,000	2875,00,000	284,04,000	2840,40,000

**b. Terms / Rights attached to Equity shares**

The 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 shareholder.

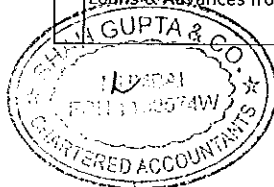
**c. Shares held by Holding Company**

Particulars	31.03.2016		31.03.2015	
	No of shares	% of holding	No of shares	% of holding
JSW Bengal Steel Ltd (the holding company, including shares held by nominee)	287,50,000	100%	284,04,000	100%

**d. Disclosure of Shareholders holding more than 5% of the aggregate shares in the company**

Particulars	31.03.2016		31.03.2015	
	No of shares	% of holding	No of shares	% of holding
JSW Bengal Steel Ltd (the holding company, including shares held by nominee)	287,50,000	100%	284,04,000	100%

Particulars	(In Rupees)	
	As at 31.03.2016	As at 31.03.2015
<b>Note 3</b>		
<b>Reserves and Surplus</b>		
<b>Surplus/(Deficit) in the Statement of Profit and Loss:</b>		
Balance at the beginning of the year	(552,16,110)	(87,13,729)
Add: Profit / (Loss) for the period	(26,30,421)	(465,02,381)
Balance at the end of the year	(578,46,531)	(552,16,110)
<b>Note 4</b>		
<b>Long-Term Borrowings [Unsecured]</b>		
Loans & Advances from other than related parties	8039,46,077	8039,46,077
<b>Total:</b>	<b>8039,46,077</b>	<b>8039,46,077</b>



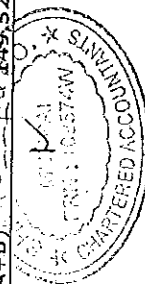


**JSW ENERGY (BENGAL) LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note 6

**FIXED ASSETS**

Particulars	Gross Block (at cost)			Depreciation			Net Block		(In Rupees)
	Balance as at 01.04.2015	Additions	Deductions/ Other Adjustments	Balance as at 31.03.2016	Depreciation for the period	Deductions/ Other Adjustments	Balance as at 31.03.2016	Balance as at 31.03.2015	
<b>Tangible assets</b>									
Land	130,94,804	-	-	130,94,804	-	-	130,94,804	130,94,804	
Plant and Machinery	8,21,000	-	-	8,21,000	81,538	-	6,25,267	7,06,805	
Office Equipments	1,45,391	-	-	1,45,391	28,586	-	70,886	1,03,090	
Computers	3,93,349	-	-	3,93,349	11,235	-	3,90,197	14,387	
<b>Total (A)</b>	<b>144,54,544</b>	<b>-</b>	<b>-</b>	<b>144,54,544</b>	<b>1,21,359</b>	<b>-</b>	<b>137,97,728</b>	<b>139,19,086</b>	
<b>Intangible assets</b>									
Software	4,98,439	-	-	4,98,439	99,688	-	1,09,662	2,09,349	
<b>Total (B)</b>	<b>4,98,439</b>	<b>-</b>	<b>-</b>	<b>4,98,439</b>	<b>99,688</b>	<b>-</b>	<b>1,09,662</b>	<b>2,09,349</b>	
<b>Total (A+B)</b>	<b>149,52,983</b>	<b>-</b>	<b>-</b>	<b>149,52,983</b>	<b>2,21,047</b>	<b>-</b>	<b>139,07,390</b>	<b>141,28,435</b>	

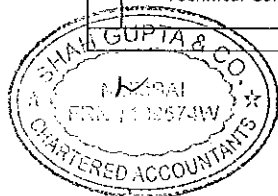




**JSW ENERGY (BENGAL) LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Note 5</b>		
<b>Other Current Liabilities</b>		
Others Payables:		
Creditors for Capital Expenditure	27,726	69,101
Statutory Liabilities	7,756	7,752
Other Payables	1,34,309	1,38,696
<b>Total:</b>	<b>1,69,791</b>	<b>2,15,549</b>
<b>Note 7</b>		
<b>Non-Current Investments</b>		
Trade Investments: (Long-Term - Fully paid up & valued at cost)		
<u>Unquoted Equity Shares of Subsidiary:</u>		
JSW Natural Resources Bengal Ltd.		
6,34,29,000 (Previous Year: 6,33,69,000) Equity Shares of Rs.10 each	6342,90,000	6336,90,000
<b>Total:</b>	<b>6342,90,000</b>	<b>6336,90,000</b>
<b>Note 8</b>		
<b>Long-Term Loans and Advances</b>		
[Unsecured, considered good]		
Capital Advances		2,27,529
Security Deposits [Refer Note 14 (g)]	300,00,000	300,00,000
Loans and advances to related parties [Refer Note 14 (e)]	3320,01,950	3316,60,421
Cenvat receivable		2,96,708
<b>Total:</b>	<b>3620,01,950</b>	<b>3621,84,658</b>
<b>Note 9</b>		
<b>Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Balances with Banks in Current accounts	2,68,501	3,33,156
<b>Total:</b>	<b>2,68,501</b>	<b>3,33,156</b>
<b>Note 10</b>		
<b>Depreciation</b>		
Depreciation on Tangible assets	1,21,359	1,52,901
Amortisation on Intangible assets	99,688	99,688
<b>Total:</b>	<b>2,21,047</b>	<b>2,52,589</b>
<b>Note 11</b>		
Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed asset with NIL remaining useful life	-	1,33,961
<b>Total:</b>	<b>-</b>	<b>1,33,961</b>
<b>Note 12</b>		
<b>Other Expenses</b>		
Auditors Remuneration [Refer Note 14 (h)]	87,079	76,687
Legal & Professional Expenses	2,90,771	61,495
Rates & Taxes	2,500	2,500
Salary	8,54,597	2,537
Bank Charges	630	1,275
Insurance	804	859
Director Sittings Fees	1,36,458	-
Travelling Expenses	36,535	-
Technical Consultancy Charges	10,00,000	-
<b>Total:</b>	<b>24,09,374</b>	<b>1,45,353</b>





JSW ENERGY (BENGAL) LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

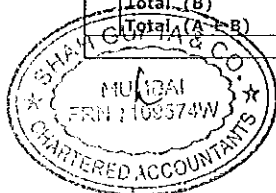
Note 13

Capital Work in Progress

The Company proposes to set up Power Plant at Saiboni, West Bengal. Since the project is under Implementation stage and the Company has got delayed due to unavoidable reasons, the expenditure incurred during the construction period (which was held under Capital Work-in-Progress) has been charged to profit & loss account during the year.

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Work in Progress (CWIP)		
Plant and Machinery and Civil Works		
Opening Balance	226,49,267	217,14,170
Add: Additions during the period	6,52,230	9,35,097
	233,01,497	226,49,267
Pre-Operative Expenses (Pending Allocation)		
Opening Balance		459,70,478
Less:- Transfer to P&L A/C		(459,70,478)
Total (B)	-	(0)
Total (A + B)	233,01,497	226,49,267

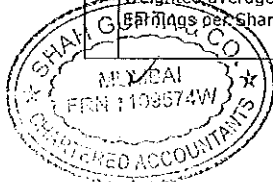


**JSW ENERGY (BENGAL) LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 14**  
**Other Notes to Accounts**

- a. JSW Energy (Bengal) Ltd has been in the process of setting up a Captive Power plant for Integrated Steel Plant (ISP) of its Holding Company JSW Bengal Steel Ltd at Salboni of district Paschim Medinipur in West Bengal. However, since the Long term linkages of Iron ore & Coal supplies, essential pre requisites for the ISP are still in process, the main erection work of ISP is yet to commence. But field survey of the ROW(Right of Way) for the purpose of identification of the land owners holding such plots of land within the alignment of ROW(water pipeline route) is in progress, for putting up 68 km cross country water pipeline for the project.  
As advised by MOEF GOI, the company has applied for renewal of its Environment Clearance (EC) which has since expired, due to unavoidable delays in the project. The recent proposal to set up the 1 x 660 MW super critical Power Plant (IPP) within the already acquired Project Lands has also not been found feasible with the Govt of West Bengal (GOWB) due to technical reasons. The Company had entered into a Long Term Coal Supply Agreement for its Power plant project with(WBMDTC). However, since the allotment of this coal block has been cancelled by order of Supreme Court read with Schedule I of The Coal Mines (Special Provisions) second ordinance, 2014, the above mentioned coal supply agreement would no longer be valid. The Company along-with GOWB, is in the process of exploring certain alternatives to resource the long term coal supply linkages for the proposed power plant project. In view of given circumstances, at this juncture, there is no necessity of impairing the assets and investments as per provisions of AS-28 & AS-13."
- b. **Contingent Liabilities**  
Contingent Liabilities not provided for in respect of Disputed claims/levies (excluding interest, if any) in respect of Income Tax - Rs 3,89,36,640.00 (Previous Year:- Nil)
- c. **Capital Commitments**  
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.8,37,888/- (Previous Year Rs. 1,59,388/-)
- d. **Segment Reporting**  
The Company's activities during the year revolve around setting up of a Power Plant at Salboni, West Bengal. Considering the nature of Company's business or 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.
- e. **Related Party Disclosures AS per Accounting Standard 18 (AS - 18)**  
**(1) List of Related Parties:**
- i) **Parent Holding Company:**  
JSW Steel Limited
  - ii) **Holding Company:**  
JSW Bengal Steel Limited
  - iii) **Subsidiary Company**  
JSW Natural Resources Bengal Limited
  - iv) **Key Managerial Personnel**  
Alok Mehrotra (Whole Time Director)  
Tushar Kanti Kar (Chief Financial Officer)  
Srinidhi Nawalgaria (Company Secretary)

		(In Rupees)	
(2) Transactions with Related Parties:		As at 31.03.2016	As at 31.03.2015
i) <u>Issue of Equity Shares</u>			
JSW Bengal Steel Ltd		34,60,000	89,40,000
<b>Total:</b>		34,60,000	89,40,000
ii) <u>Investment in shares of subsidiary</u>			
JSW Natural Resources Bengal Limited		6,00,000	79,40,000
<b>Total:</b>		6,00,000	79,40,000
iii) <u>Advances Received</u>			
JSW Bengal Steel Limited		8,53,603	2,537
<b>Total:</b>		8,53,603	2,537
iv) <u>Repayment of Advances</u>			
JSW Bengal Steel Limited		8,53,603	-
<b>Total:</b>		8,53,603	-
(3) Closing Balances:-			
i) <u>Advances given</u>			
JSW Steel Ltd and JSW Bengal Steel Limited		3320,01,950	3318,87,950
<b>Total:</b>		3320,01,950	3318,87,950
f. <b>Earning Per Share (Nominal Value Rs. 10 per share)</b>			
Loss after Tax for Calculating Basic EPS & Diluted EPS		(26,30,421)	(465,02,381)
Weighted average number of Equity Shares for calculating Basic & Diluted EPS		284,33,563	278,52,203
<b>Earnings per Share (Basic &amp; Diluted)</b>		(0.093)	(1.670)



g. In terms of the aforesaid Coal Supply Agreement, the Company has paid interest free refundable security deposit of Rs. 30,000,000 lacs (P.Y Rs.30,000,000 lacs) and the same is included in Long term loans & advances. However since the allotment of this coal block has been cancelled by order of the Supreme Court, the Coal Raising Agreement for mining of coal from Iccchapur Coal Block is no more valid and hence, the company has taken up with WBMDTC to refund the said deposit. The Company, is in the process of exploring certain alternatives to resource the long term coal supply linkages and for the project has also taken up matter with GOWB to resource/arrange long term coal supply linkages as per its commitment in the Development Agreement dated 11 Jan 2007 signed for the Project. In view of the new policy of GOI on allocation of Coal Blocks and Coal Linkages from Coal India Ltd, the Company is hopeful of establishing fresh coal linkages with support of Govt of West Bengal for Proposed Power Plant project.

h. Auditor's Remuneration:

Statutory audit fees  
Out of pocket expense

Total:

(In Rupees)	
As at 31.03.2016	As at 31.03.2015
75,000	75,000
2,809	1,686
<b>77,809</b>	<b>76,686</b>

i. The Company is yet to receive any Balance confirmations in respect of Long Term Borrowings, Loans & Advances given, Sundry Creditors. The management does not expect any material difference affecting the current year's financial statements due to the same.

j. Income Taxes

The Company has incurred cash losses in the current year and accordingly no provisions for current tax has been made. Further, the Company has carried forward tax losses. Deferred taxes are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The Company has not recognised any deferred tax assets on the loss incurred.

k. 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.

l. In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.

m. One Writ Petition has been filed by JSW Steel Limited against GoWB, against cancellation of PPA by WBSEDCL, at High Court Calcutta (WP- No- 2859 (w) of 2015 JSW Steel Limited & Others Vs State Of West Bengal & Others). The matter is pending for hearing at High Court Calcutta.

n. Subsequent Events:-

No Significant event has occurred after the balance sheet date which may have material effect on the Company's financial

o. Additional Information Pursuant to Schedule III of the Companies Act, 2013 is either Nil or Not Applicable.

p. Previous year figures have also been reclassified/ regrouped, wherever necessary, to conform to the current year's

