

Deloitte Haskins & Sells

Chartered Accountants
Dengal Intelligent Park,
Building - Alpha, 1st Floor,
Block - EP & GP, Sector - V,
Salt Lake Electronics Complex,
Kolkata - 700 091,
West Bengal, India

Tel. +91 33 6612 1000
Fax. +91 33 6612 1001

Ref.: BA/564

AUDITORS' CERTIFICATE

We, the Statutory Auditors of **Jamshedpur Utilities And Services Company Limited** ("Company"), have examined the books of account and other relevant records maintained by the Company for the year ended March 31, 2016, on the basis of which financial information has been extracted, compiled and presented by the Management in the attached financial information of the Power Business Division ("Annexures"). This certification is issued in accordance with our engagement letter dated August 17, 2016.

Managements Responsibility for the Annexures

The Management of the Company is responsible for the preparation and presentation of the attached Annexures and maintenance of proper books of account as prescribed by applicable law which includes collecting, collating and validating data and designing, implementing and monitoring of internal control relevant to the preparation of the attached Annexures that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility, for the purpose of this certificate, is limited to examining whether the Annexures are in agreement with the separately identifiable cost center reports and other records pertaining to the Power Business Division of the Company. We conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India which include the concept of test checks and materiality. The Guidance also requires that we comply with the code of ethical requirements of Code of Ethics issued by the Institute. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Our Opinion

On the basis of our verification of such books of account and other relevant records and documents referred to above and according to the information and explanations and representations provided to us by the Management of the Company, we certify that the attached Annexures relating to Power Business Division of the Company, read with the notes thereon, have been extracted from and is consistent with the aforesaid books of account and other records maintained by the Company.

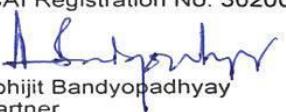


**Deloitte
Haskins & Sells**

Restriction on Use

This certificate is issued at the request of the Management of the Company for submission to Jharkhand State Electricity Regulatory Commission and should not be used for any other purpose without our prior consent.

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Registration No. 302009E)


Abhijit Bandyopadhyay
Partner
Membership No. 054785

Kolkata,  June, 2017



	Note No.	As at 31 March 2016 Rupees	As at 31 March 2015 Rupees
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Capital Employed	1	3229,86,468	3255,85,683
(b) Capital Contribution		4695,40,897	4240,90,788
(c) Inter Unit Current Account		(3096,87,502)	(2909,99,467)
		4828,39,863	4586,77,004
(2) Non-current liabilities	2		
(a) Other long-term liabilities		5718,75,652	5034,62,929
(b) Provisions for Employee benefits		170,90,067	110,64,572
		5889,65,719	5145,27,501
(3) Current liabilities	2		
(a) Trade payables		3571,84,287	3652,87,898
(b) Other current liabilities		745,71,686	856,07,262
(c) Provisions for Employee benefits		3,98,836	7,95,141
		4321,54,809	4516,90,301
TOTAL		15039,60,391	14248,94,806
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets	5		
(i) Tangible assets		11759,42,908	9296,90,244
(ii) Other intangible assets		54,51,325	62,58,303
(iii) Capital work-in-progress		251,57,117	2992,19,370
		12065,51,350	12351,67,917
(b) Long-term loans and advances	3		
		1,93,688	1,93,688
		12067,45,038	12353,61,605
(2) Current assets	4		
(a) Trade receivables		2613,35,157	1750,89,562
(b) Cash and cash equivalents		244,61,492	126,32,260
(c) Inventory		114,18,704	18,11,379
		2972,15,353	1895,33,201
TOTAL		15039,60,391	14248,94,806
See accompanying notes forming part of the financial statements			

Referred to in Auditor's Certificate No. BA/564 dated June 28, 2017

For and on behalf of the Board

Jamshedpur Utilities and Services Company Limited

Ashish Mathur

Managing Director

DIN: 03508443

Jamshedpur, June 28, 2017

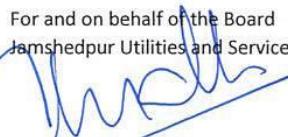


JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
 POWER BUSINESS DIVISION
 STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2016

Annexure II

	Note No.	April - March 16 Rupees	April - March 15 Rupees
I. Revenue from operations (Tariff Income) (Units sold 465,748,626 kwh, previous year 384,095,311 kwh)		24437,81,842	17906,69,577
II. Other Income (Non Tariff Income)	6	2,49,924	12,02,478
III. TOTAL REVENUE (I+II)		24440,31,766	17918,72,055
IV. Expenses :			
Operating Expenses			
(a) Purchase of Power	7	24038,34,734	14715,64,660
(b) Employee cost	8	627,52,763	616,72,813
(c) Interest expenses		434,80,112	424,76,241
(d) Depreciation and amortisation expense			
Depreciation		922,12,087	731,72,170
Less : Transfer from Contribution for Capital Expenditure		268,09,462	254,19,177
Depreciation and amortisation expense		654,02,625	477,52,993
(e) Repair and Maintenance	9	348,45,801	306,51,146
(f) Administrative and General Expenses	10	257,29,643	199,88,066
TOTAL EXPENSES		26360,45,678	16741,05,919
V. PROFIT/(LOSS) BEFORE TAXES		(1920,13,912)	1177,66,136
See accompanying notes forming part of the financial statements			

For and on behalf of the Board
 Jamshedpur Utilities and Services Company Limited


 Ashish Mathur
 Managing Director
 DIN: 03508443
 Jamshedpur June 28, 2017



	As at March 31, 2016 (Rupees)	As at March 31, 2015 (Rupees)
Note 1: CAPITAL CONTRIBUTION RESERVE		
Opening Balance	4240,90,788	4076,36,976
Add : Contribution capitalised during the year.	722,59,571	418,72,989
	<u>4963,50,359</u>	<u>4495,09,965</u>
Less : Transfer to Profit and Loss Account (Depreciation)	268,09,462	254,19,177
Closing Balance	<u>4695,40,897</u>	<u>4240,90,788</u>

	As at March 31, 2016 (Rupees)			As at March 31, 2015 (Rupees)		
	Non-current	Current	Total	Non-current	Current	Total
Note 2 - TRADE AND OTHER PAYABLES						
A. Trade Payables						
(a) Dues to Micro, Small & Medium Enterprises	-	-	-	-	-	-
(b) Creditors for supplies/Services	-	3491,99,014	3491,99,014	-	3580,39,649	3580,39,649
(c) Renewable Power purchase liability	-	-	-	-	-	-
(d) Creditors for accrued wages and salaries	-	79,85,273	79,85,273	-	72,48,249	72,48,249
Sub-total	<u>3571,84,287</u>	<u>3571,84,287</u>	<u>3571,84,287</u>	<u>3652,87,898</u>	<u>3652,87,898</u>	<u>3652,87,898</u>
B. Other Payables						
(a) Security Deposits	5718,75,652	-	5718,75,652	5034,62,929	-	5034,62,929
(b) Interest on security deposit (Net of TDS)	-	386,46,071	386,46,071	-	377,32,272	377,32,272
(c) Contribution for capital expenditure	-	335,17,878	335,17,878	-	458,96,689	458,96,689
(d) Others	-	24,07,737	24,07,737	-	19,78,301	19,78,301
Sub-total	<u>5718,75,652</u>	<u>745,71,686</u>	<u>6464,47,338</u>	<u>5034,62,929</u>	<u>856,07,262</u>	<u>5890,70,191</u>
Total (A+B)	5718,75,652	4317,55,973	10036,31,625	5034,62,929	4508,95,160	9543,58,089

	As at March 31, 2016 (Rupees)			As at March 31, 2015 (Rupees)		
	Non-current	Current	Total	Non-current	Current	Total
Note 3 - LOANS AND ADVANCES						
(a) Capital advances	1,93,688	-	1,93,688	1,93,688	-	1,93,688
(b) Advance with public bodies	-	-	-	-	-	-
(c) Other loans and advances	-	-	-	-	-	-
Gross Loans and advances	<u>1,93,688</u>	<u>-</u>	<u>1,93,688</u>	<u>1,93,688</u>	<u>-</u>	<u>1,93,688</u>
Less: Provision for bad & doubtful loans & advances	-	-	-	-	-	-
Total Loans and advances	1,93,688	-	1,93,688	1,93,688	-	1,93,688
Classification of loans and advances						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	1,93,688	-	1,93,688	1,93,688	-	1,93,688
Doubtful	-	-	-	-	-	-
Gross Loans and advances	1,93,688	-	1,93,688	1,93,688	-	1,93,688

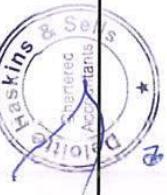
	As at March 31, 2016 (Rupees)			As at March 31, 2015 (Rupees)		
	Non-current	Current	Total	Non-current	Current	Total
Note 4 TRADE AND OTHER RECEIVABLES						
A. Trade Receivables						
(i) More than six months	-	40,219	40,219	-	-	-
(ii) Others	-	2612,94,938	2612,94,938	-	1750,89,562	1750,89,562
Gross Trade Receivables	<u>2613,35,157</u>	<u>2613,35,157</u>	<u>2613,35,157</u>	<u>-</u>	<u>1750,89,562</u>	<u>1750,89,562</u>
Less: Provision for bad and doubtful debts	-	-	-	-	-	-
Net Trade Receivables	2613,35,157	2613,35,157	2613,35,157	-	1750,89,562	1750,89,562
Classification of Trade Receivables						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	2613,35,157	2613,35,157	-	1750,89,562	1750,89,562
Doubtful	-	-	-	-	-	-
Total Trade Receivables	-	2613,35,157	2613,35,157	-	1750,89,562	1750,89,562



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
 POWER BUSINESS DIVISION
 NOTE FORMING PART OF FINANCIAL STATEMENTS
 Note -5 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net block as at March 31, 2016
	As at April 1, 2015	Additions during the period	Disposal/ adjustment	As at March 31, 2016	As at April 1, 2015	Depreciation / Amortisation for the year	Depreciation or assets disposed / adjusted
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Tangible Assets							
Land	23,94,657 (23,94,657)	-	-	23,94,657 (23,94,657)	-	-	23,94,657 (23,94,657)
Buildings	362,65,986 (362,65,986)	15,68,227	-	378,34,213 (362,65,986)	52,75,530 (42,59,837)	10,35,427 (10,15,633)	63,10,957 (52,75,530)
Plant and Equipment	12,579,05,040 (11,506,12,662)	33,60,89,546 (10,72,92,378)	-	15,939,94,586 (12,579,05,040)	3,623,21,080 (29,11,15,800)	902,30,277 (712,05,230)	4525,51,357 (3623,21,080)
Furniture & Fixtures and Office Equipment	17,36,572 (17,36,572)	-	-	17,36,572 (17,36,572)	10,95,009 (9,50,790)	1,39,425 (1,44,219)	12,34,414 (10,95,009)
Vehicles	7,95,823 (7,95,823)	-	-	7,95,823 (7,95,823)	7,16,215 (7,16,215)	-	7,16,215 (7,16,215)
Total Tangible Assets	12990,98,078 (11918,05,700)	3376,57,773 (1072,92,378)	-	16367,55,851 (12990,98,078)	3694,07,834 (2970,42,642)	914,05,109 (723,65,132)	4608,12,943 (3694,07,834)
Intangible Assets							
Licenses	77,58,755 (77,58,755)	-	-	77,58,755 (77,58,755)	42,78,695 (38,23,256)	4,55,439 (4,55,439)	47,34,134 (42,78,655)
Software	66,52,688 (66,52,688)	-	-	66,52,688 (66,52,688)	38,74,445 (35,22,906)	3,51,539 (3,51,539)	42,25,984 (38,74,445)
Total Intangible Assets	144,11,443 (144,11,443)	-	-	144,11,443 (144,11,443)	81,53,140 (73,46,162)	8,06,978 (8,06,978)	89,60,118 (81,53,140)
TOTAL	13135,09,521 (12052,17,143)	3376,57,773 (1072,92,378)	-	16511,67,294 (13135,09,521)	3775,60,974 (3043,88,804)	922,12,037 (73,72,170)	4697,73,061 (3775,60,974)
<i>Previous Year</i>							

Previous Year figures in Italics and Brackets



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
 POWER BUSINESS DIVISION
 NOTE FORMING PART OF FINANCIAL STATEMENTS

April - March 16 April - March 15
 Rupees Rupees

Note 6 : OTHER INCOME :

(a) Interest Income	1,778	2,239
(b) Miscellaneous Income	2,48,146	12,00,239
	2,49,924	12,02,478

Note 7 : PURCHASE OF POWER :

(a) Purchase from Tata Steel	13955,37,825	10047,04,274
(Units purchased FY 2015-16 - 339,547,552 kwh, FY 2014-15- 284,934,332 kwh)		
(b) Purchase from DVC	6411,72,462	4668,60,386
(Units purchased FY 2015-16 131,760,422 kwh, FY 2014-15 - 102,481,400 kwh)		
(c) Debit Note for past years. (Refer Note - j)	3671,24,447	-
	24038,34,734	14715,64,660

Note 8 : EMPLOYEE COST :

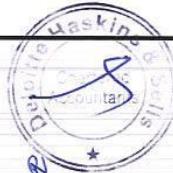
(a) Salaries and wages	555,70,039	555,58,339
(b) Contribution to provident and other funds	34,43,852	40,33,524
(c) Staff welfare expenses	37,38,872	20,80,950
	627,52,763	616,72,813

Note 9 : REPAIR AND MAINTENANCE:

(a) Cost of repairs	210,12,660	194,90,683
(b) Consumption of stores and spare parts	131,21,930	102,13,029
(c) Repairs to machinery	7,11,211	9,47,434
	348,45,801	306,51,146

Note 10 : ADMINISTRATION AND GENERAL EXPENSES

(a) Rent	9,62,669	8,83,373
(b) Insurance charges	9,78,432	8,34,136
(c) Consultancy Charges	21,88,671	47,59,428
(d) Travelling and Conveyance Expenses	27,92,145	40,68,681
(e) Advertisement & Promotional Expenses	11,68,705	1,42,265
(f) Bank Charges / Fees	17,92,016	1,16,653
(g) Software Charges	20,93,858	14,07,565
(h) Cost of Security services	9,37,956	19,08,414
(i) Hire Charges for Motor cars	20,94,763	18,91,321
(j) Auditor Fees	1,54,642	1,75,000
(k) Others	105,65,786	38,01,230
	257,29,643	199,88,066



11. Jamshedpur Utilities and Services Company Limited
Power Business Division
Notes forming part of Statement of Affairs and Statement of Profit and
Loss for the year ending March 31, 2016

a. Basis for Accounting

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the generally accepted principles, Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act").

b. Power Business Division

Jamshedpur Utilities and Services Company Limited ("JUSCO") was incorporated on 25th August, 2003 under the provisions of the Companies Act, 1956 as a wholly owned subsidiary of Tata Steel. Under the provisions of Electricity Act 2003, JUSCO was granted a parallel distribution license in Dec' 2006 to distribute power by creating its own distribution network in the revenue district of Seraikela-Kharasawan. The Seraikela-Kharasawan district of Jharkhand is contiguous to Jamshedpur. JUSCO POWER BUSINESS DIVISION (PBD Division) purchases power from Tata Steel and Damodar Valley Corporation (DVC) and sells it to Domestic, industrial and commercial LT and HT consumers.

c. Basis of Preparation

The Financial statement are prepared from the records maintained in the SAP system of the Company, in which data relating to power business division are maintained in separate cost centers. Directly identifiable expenses are recorded in the specific cost centers.

Assets and liabilities related to power service division is taken from SAP using the business area of division. Tax Expenses and Liabilities have not been considered separately as the same is calculated for the organization as a whole.

d. Revenue Recognition

Income is recognized on accrual basis on rendering of services and excludes electricity duty.

e. Contribution for capital expenditure

Contributions received from consumers towards installation of assets pertaining to distribution of power are credited to capital reserve on capitalization of related assets.



11. Jamshedpur Utilities and Services Company Limited
Power Business Division
Notes forming part of Statement of Affairs and Statement of Profit and
Loss for the year ending March 31, 2016

A portion of the capital reserve calculated by applying an average rate of depreciation on assets capitalized is transferred to the profit and loss account at the end of the year.

f. Depreciation / Amortisation

Depreciation on Plant and machinery is provided on straight line basis at the rates specified in Electricity Act, 2003. Intangible Assets are amortized on straight line basis over a period of 9 – 10 years

Assets valued below Rs. 5,000/- (Rupees Five Thousand Only) and Mobile Phones are depreciated over a period 1 year from the date of capitalization.

g. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss (if any). Cost of acquisition includes duties (net of cenvat), taxes, incidental expenses, erection /commissioning expenses and financial charges up to the date the asset is ready for its intended use. Intangible assets are stated at cost less accumulated amortization. Advances given to suppliers for identified capital projects/expenditure are included in capital work in progress.

h. Normative Expenses

Normative Expenses such as interest on working capital, interest on Debt and Return on Equity has not been considered in the accounts.

i. Capital Employed

Capital employed represents an amount equivalent to 30 % of the capital investment (including the assets under construction) made by the Power Business Division of the Company net of capital contributions received from customers in respect of the capital investments as per the regulation.

j. Power Purchase Expenses

During the year, based on the tariff order of Tata Steel Limited by JSEBC dated 31st May 2015; Debit note for the year 2013-14 and 2014-15 amounting to Rs. 17.05 Cr and Rs. 19.66 Cr had been accounted for.



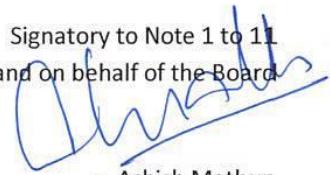
11. Jamshedpur Utilities and Services Company Limited
Power Business Division
Notes forming part of Statement of Affairs and Statement of Profit and
Loss for the year ending March 31, 2016

k. The Company estimates no other significant items in the statement of profit and loss account and balance sheet other than those disclosed in the financial statement that can be fairly attributed to the power business division.

l. Previous year figures have been regrouped / re-arranged, where-ever necessary.

Signatory to Note 1 to 11

For and on behalf of the Board



Ashish Mathur

Managing Director

DIN No- 03508443

Jamshedpur, June 28, 2017

