

Revised Independent Auditor's Report

To,
The Members of
KARANPURA ENERGY LIMITED.

The revised Independent Auditor's Report is issued in supersession of our earlier Independent Auditor's Report for the Financial year 2017-18 dated 24.09.2018 at the instance of the Comptroller and Auditor General (C & AG) of India through the office of Principal Accountant General (Audit), Jharkhand. The revised audit report is being issued in view of qualifications pointed out by the C & AG in order to make it more transparent in compliance of Standard on Auditing 705. Further, we confirm that no change have been made in the financial statement of company as at 31st March 2018 as known to us. The basis of qualifications have been duly incorporated in this Audit report under Basis of Qualified opinion.

Report on the Financial Statements

We have audited the accompanying financial statements of KARANPURA ENERGY LIMITED (A wholly owned subsidiary of Jharkhand Urja Utpadan Nigam Limited Erstwhile JSEB, Hereinafter referred as the 'Company'), JSEB, Engineering Building, HEC, Dhurwa, Ranchi – 834004, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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.



Auditor's Responsibility

Our responsibility is to express an opinion on 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 there under. 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 auditor's 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and in the view of qualifications pointed out by the C & AG, the aforesaid financial statements give the information required by the Act in the manner so required except for the effects for the matter described in the Basis of Qualified Opinion section of our report, the aforesaid financial statement 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 March 31, 2018,
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis of Qualified Opinion

1. The Energy Department has approved to take loan of Rs 15.12 crore in the Financial Year 2012-13 to the Company for development of Mourya Coal Block. The company has recorded the amount as Rs 15.52 crore. To that extent the Long-Term Borrowings and current assets are overstated. Management has also sought clarification from Energy Department for confirmation of amount which has been recently replied by Energy Department vide Letter No. 2844 Dated – 25th Nov, 2019 that the loan amount is Rs. 15.12 Crore. Further Interest has been overcharged on Rs. 40 Lakhs Since Loan has been taken.
2. The rate of Interest is 13% p.a. on the above loan. Due to overstatement of loan, interest has been overcharged by Rs. 5.20 lakhs and to that extent loss is overstated. Further Cumulative interest has been overstated by Rs. 20.80 lakhs in earlier years and Long Term Borrowings by has been overstated by Rs. 26 lakhs up to financial year 2018-19.
3. Due to delay in payment of installments of Loan a penal interest @2.5% was to be charged which has not been done. The amount of interest comes to Rs. 8.69 lakhs. By this amount the loss is understated and the liability is also understated. This penal charge was repayable in ten equal installments due after one year from the date of withdrawal of loan. No repayment



- has been done yet. Moreover, due to this the accumulated penal interest comes to Rs. 0.434 crores by which loss is understated over the years.
4. The Advances given to staffs of Rs. 55,200 appearing as short term loans and advances under Note No – 9 are old balances needs to be adjusted.
 5. Annual General Meeting of the company for the Financial Year was held on 15th September 2017 and has been duly adjourned.
 6. Company has violated the provisions of section 173 (1) of the Companies Act, 2013 by not holding minimum prescribed number of four Board meetings in the year 2017-18.
 7. Cash Book has not been certified by the competent Authority.

Summary

Keeping in view the above qualifications as pointed out, the Company's Financial impact would result in loss being understated by a sum of Rs. 3.49 lakhs.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order .
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 purpose 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 Revised Report are in agreement with the books of account .
 - d. In our opinion, the aforesaid 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 written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's 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 litigations which would impact its financial position.
 - (II) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.



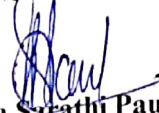
(III) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B. Our Revised report expresses an unmodified opinion on adequacy and operative effectiveness of the company's internal financial controls over financial reporting.

Place: Ranchi
Date: 12th March 2020



FOR P.S. PAUL & Co
CHARTERED ACCOUNTANTS
F. R. No.: 009155C


(Partha Sarathi Paul)
(Partner)

M.No. 078790

UDIN- 20078790AAAAAH9281

ANNEXURE A

Statement on the matters specified in paragraph 3 of the Company's (Auditors Report) Order, 2016 as referred to in Para-3 of our Revised Report of even date of Karanpura Energy Limited.

- (i) (a) The Company has generally maintained proper records showing adequate particulars including quantitative details and location of Fixed Assets.

(b) As explained to us, the fixed assets have been physically verified by the management at reasonable interval and no material discrepancy was noticed on such verification.

(c) There are no immovable properties in the name of the company.
- (ii) There are no Inventory of the Company during the year of audit hence this question is not applicable.
- (iii) 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 Company's Act, 2013 therefore, clause 3(iii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (iv) The Company has not given any loans, investments, guarantees, and security, as defined in section 185 and 186 of the Companies Act, 2013 and the Rules framed there under and therefore clause 3 (iv) Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public during the year, as defined in Section 73 to 76 of the Companies Act, 2013 and the Rules framed there under and therefore clause 3 (v) Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (vi) Maintenance of Cost records has not been prescribed by the Central Government as has been specified by the Central Government under sub – section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that undisputed statutory dues including provident fund, Income Tax, Sales Tax, Customs Duty, Wealth Tax, and other material statutory dues applicable to the company if any, have been generally regularly deposited with the appropriate authorities during the financial year and no such statutory dues were outstanding as at the last day of financial year under review for a period of more than six months from the date they became payable.

As informed to us, the Provident Fund, Income Tax, wealth Tax, Investor Education and Protection Fund etc, are dealt by the Head Office of the Company.

(b) According to the information and explanations given to us there are no disputed statutory dues so this clause is not applicable.

- (viii) The Company has not obtained any term loans and not issued any debentures as such clause 3(viii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the area.
- (ix) According to information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer including debt instruments and

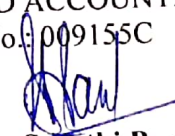


term loan as such clause 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

- (x) As per the information and explanations provided to us no frauds on or by the company was noticed or reported during the year.
- (xi) The Company does not have any managerial remuneration payable.
- (xii) The Company is not a NIDHI Company as such clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (xiii) According to information and explanation given to us, the Company has taken an unsecured loan from JUUNL (erstwhile JSEB), 100% subsidiary of State Government, long back on which interest of Rs.1,55,81,457/- has been charged to Profit and Loss statement during the year.
- (xiv) According to information and explanations given to us, no preferential allotment or private placement of shares has been done by the Company hence clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to Company.
- (xv) According to information and explanations given to us, no non cash transactions with directors or persons connected with him are done by the Company and therefore, clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (xvi) The Company is not required to be registered under 451A of RBI Act.



For P S PAUL & Co
CHARTERED ACCOUNTANTS
F.R.No.: 009155C


(Partha Sarathi Paul)
Partner

M. No: 078790
UDIN – 20078790AAAAAH9281

Place: Ranchi

Date: 12th March, 2020

Annexure B” to the Revised Independent Auditor’s Report of even date on the Standalone Financial Statements of Karanpura Energy Limited.

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 Karanpura Energy Limited (A wholly owned subsidiary of Jharkhand Urja Utpadan Nigam Limited, Erstwhile JSEB), JSEB, Engineering Building, HEC Dhurwa, Ranchi-834004, as of March 31, 2018 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 control based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance note of audit of Internal financial Control over financial Reporting issued by the Institute of Chartered Accountant of India. 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 auditor’s 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.



For P S PAUL & Co
CHARTERED ACCOUNTANTS
F.R.No.: 009155C


(Partha Sarathi Paul)

M. No: 078790

Partner

UDIN- 20078790AAAAAH9281

Place: Ranchi

Date: 12th March, 2020

BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in Rs.)

PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	5,00,000.00	5,00,000.00
(b) Reserves and Surplus	3	(19,51,71,302.00)	(15,93,69,860.00)
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	4	47,19,33,402.00	43,61,75,945.00
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term liabilities		-	-
(d) Long Term Provisions		-	-
4 CURRENT LIABILITIES			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	5	100.00	-
(d) Short-Term Provisions	6	1,55,750.00	1,38,050.00
TOTAL.....		27,74,17,950.00	27,74,44,135.00
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	7	7,95,34,561.00	7,95,60,728.00
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		3,93,26,000.00	3,93,26,000.00
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and bank balances	8	15,84,27,189.00	15,85,02,207.00
(e) Short-term loans and advances	9	1,30,200.00	55,200.00
(f) Other current assets		-	-
TOTAL.....		27,74,17,950.00	27,74,44,135.00

ACCOUNTING POLICIES & NOTES TO ACCOUNT

1

As per our report annexed the Note No. 1 to 11 Form an Integral Part of these Financial Statements.

In terms of our report to the even date

For.. P.S. Paul & Co.
Chartered Accountants
FRN 009155C

(Partner)
M.No - 078790



For Karanpura Energy Limited

Director

Director

Date :24/09/2018
Place: Ranchi

KARANPURA ENERGY LIMITED
Engineering Building, H.E.C., Dhurva, Ranchi - 834004, Jharkhand

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2018

(Amount in Rs.)

S. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
I.	Revenue from Operations	10	-	-
II.	Other Income		-	-
III.	Total Revenue (I + II)		-	-
IV.	<u>Expenses:</u>			
	(a) Cost of Materials Consumed		-	-
	(b) Purchases of Stock-in-Trade		-	-
	(c) Changes in inventories of Finished goods Work in progress and stock-in-Trade		-	-
	(d) Employee Benefits Expenses		-	-
	(e) Finance Costs	12	3,57,57,457.00	3,39,64,900.00
	(f) Depreciation and amortisation exp.	13	26,167.00	26,167.00
	(g) Other Expenses	11	17,818.00	17,700.00
	TOTAL EXPENSES		3,58,01,442.00	3,40,08,767.00
V.	Profit before exceptional and extraordinary items (III - IV)		(3,58,01,442.00)	(3,40,08,767.00)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		(3,58,01,442.00)	(3,40,08,767.00)
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		(3,58,01,442.00)	(3,40,08,767.00)
X.	<u>Tax Expenses:</u>			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
XI.	Profit/(Loss) for the period (IX - X)		(3,58,01,442.00)	(3,40,08,767.00)
XII.	Earnings per equity share:			
	(1) Basic		(716.03)	(680.18)
	(2) Diluted		-	-

ACCOUNTING POLICIES & NOTES TO ACCOUNT

1

As per our report annexed the Note No. 1 to 11 Form an Integral Part of these Financial Statements.

In terms of our report to the even date

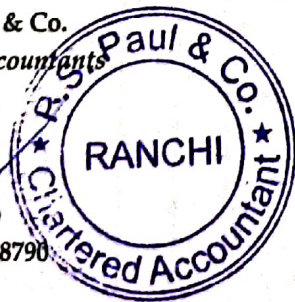
For P.S. Paul & Co.

Chartered Accountants

FRN 009155C

(Partner)

M. No. 078790



For Karanpura Energy Limited

Director

Director

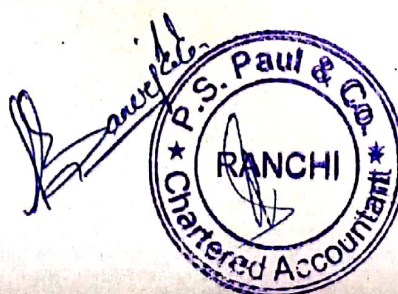
Date: 24/09/2018

Place: Ranchi

KARANPURA ENERGY LIMITED
Engineering Building, H.E.C., Dhurva, Ranchi - 834004, Jharkhand

Schedules Forming Part of Balance Sheet As At 31st March 2018

Note No.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
2	<u>SHARE CAPITAL</u>		
(i)	<u>SHARES AUTHORISED</u> 50000 Equity Shares of Rs.10 each	5,00,000.00	5,00,000.00
(ii)	<u>SHARES ISSUED, SUBSCRIBED AND FULLY PAID</u> 50000 Equity Shares of Rs.10 each	5,00,000.00	5,00,000.00
(iii)	<u>PAR VALUE PER SHARE (FACE VALUE)</u>	10.00	10.00
(iv)	RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD		
	<u>Equity</u>		
(a)	Opening number of Shares outstanding	50,000.00	50,000.00
(b)	Share Issued during the year	-	-
(c)	Shares bought back	-	-
(d)	Closing number of outstanding shares	50,000.00	50,000.00
(v)	EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES SPECIFYING THE NUMBER OF SHARES HELD		
	JUUNL (Erstwhile JSEB)	50,000.00	50,000.00
3	<u>RESERVES & SURPLUS</u>		
	Opening Balance	(15,93,69,860.00)	(12,53,61,093.00)
	Add: Net Profit as Per Profit and Loss A/c	(3,58,01,442.00)	(3,40,08,767.00)
	Closing Balance	(19,51,71,302.00)	(15,93,69,860.00)
4	<u>LONG TERM BORROWINGS</u>		
(i)	<u>Loan from State Govt.</u>	15,52,00,000.00	15,52,00,000.00
	<u>interest on above</u>	10,10,45,830.00	8,08,69,830.00
		25,62,45,830.00	23,60,69,830.00
(ii)	<u>Unsecured Loan From Related Parties</u>		
(a)	JUUNL (Earstwhile JSEB)	3,93,26,000.00	3,93,26,000.00
	interest on above	9,61,12,822.00	8,05,31,365.00
	UP's Cost of Geological Report	1,07,77,830.00	1,07,77,830.00
	UP against admin expenses	5,00,000.00	5,00,000.00
	Bihar cost of Geological Report	1,79,63,050.00	1,79,63,050.00
	Bihar against admin expenses	5,00,000.00	5,00,000.00
	Jharkhand-Cost of geological report	4,31,11,320.00	4,31,11,320.00
	Jharkhand loan against the share of UP and Bihar	73,96,550.00	73,96,550.00
	<u>Terms of Borrowing:</u>	47,19,33,402.00	43,61,75,945.00
	Nature of Loan / Security : Long Term / Unsecured / For the Corpus		
	Terms of Repayment : After recovery of expneses from selected developer		
	Rate of Interest : 13%		



KARANPURA ENERGY LIMITED
Engineering Building, H.E.C., Dhurva, Ranchi - 834004, Jharkhand

Schedules Forming Part of Balance Sheet As At 31st March 2018

Note No.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
5	Other Current Liabilities		
	Payable to A.O. KEL	100	-
		100	-
6	SHORT TERM PROVISIONS		
(i)	Provision for Audit Fees	1,41,600.00	1,23,900.00
(ii)	* Advertisement Expenses Payable	14,150.00	14,150.00
		1,55,750.00	1,38,050.00
7	Fixed Asset		
	Geological report (CWIP)	7,92,48,750.00	7,92,48,750.00
	OFFICE EQUIPMENTS	11,319.00	11,319.00
	FURNITURE & FIXTURES	4,02,065.00	4,02,065.00
		7,96,62,134.00	7,96,62,134.00
	Less: depreciation	1,27,573.00	1,01,406.00
	Net assets	7,95,34,561.00	7,95,60,728.00
8	CASH AND BANK BALANCE		
(i)	Bank Balance	32,27,189.00	33,02,207.00
(ii)	Cash In hand	-	-
(iii)	Balance with Treasury	15,52,00,000.00	15,52,00,000.00
		15,84,27,189.00	15,85,02,207.00
9	SHORT TERM LOANS & ADVANCES		
(i)	Advance to Staff		
	Ao Trans.	51,000.00	51,000.00
	- Manoj marshal murmu	78,000.00	3,000.00
	- Sudhanshu Kumar	1,200.00	1,200.00
		1,30,200.00	55,200.00



KARANPURA ENERGY LIMITED
Engineering Building, H.E.C., Dhurva, Ranchi - 834004, Jharkhand

Schedules Forming Part of Statement of Profit and Loss As At 31st March 2018

Note No.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
10	<u>OTHER INCOME</u>		
	(i) Other Income	-	-
	(ii) Sale of Bid Documents	-	-
		-	-
11	<u>OTHER EXPENSES</u>		
	(i) Audit Fees	17,700.00	17,700.00
	(ii) Bank Charges	118.00	-
	(iii) Land Schedule Preparation Charges	-	-
	(iv) Office Expenses	-	-
	(v) Printing & Stationery	-	-
		17,818.00	17,700.00
12	<u>Finance cost</u>		
	Interest on unsecured loan @ 13%	1,55,81,457.00	1,37,88,900.00
	Interest on Govt. loan @ 13%	2,01,76,000.00	2,01,76,000.00
		3,57,57,457.00	3,39,64,900.00

[Signature]



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NOTES FORMING PART OF THE ACCOUNTS

NOTE : 1

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1) Method of Accounting

- a. The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of Companies Act, 2013.
- b. The company generally follows mercantile system of accounting and recognises significant items of Income and Expenditures on accrual basis unless stated otherwise.

2) Cash Flow Statement : The Cash Flow statement has been prepared in accordance with the requirement of AS 3, "Cash Flow Statement" issued by ICAI.

3) Fixed Assets : Fixed Assets are stated at their original cost of acquisition and includes directly attributable cost of bringing the assets to working condition for their intended use.

4) Depreciation : Depreciation on fixed assets provided on straight line method at the rates prescribed as per Electricity Act 2003.

5) Contingent Liabilities: Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

6) Revenue Recognition: Since, company has not commenced any business during the year, so no revenue from operation has been recognised.

7) Borrowing Cost:
(i) Rs. 3,57,57,457/- being the interest paid to JUUNL and Govt. of Jharkhand has been charged to the Profit & Loss Statement.
(ii) Interest has been booked on the basis of amount allotted to the Company and not on the utilised amount

B) Notes on Accounts

I Previous year figures have been regrouped/ rearranged wherever necessary to confirm to this year's classification.

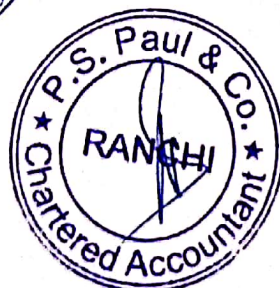
II Related Parties Transaction as per AS-18 on Related Parties

(a) As per AS-18 on related parties, followings are the related parties and their relationship :

Name of Related Party	Nature of Relationships
JUUNL (Erstwhile JSEB)	Investing company

(b) Related parties Transactions during the year:

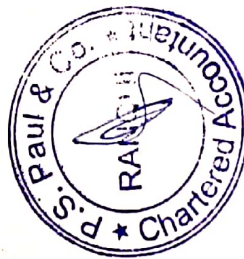
SI No.	Particulars	Amount (in Rs.) 2017-18	F.Y	Amount (in Rs.) 2016-17	F.Y
1	LONG TERM BORROWINGS				
	JUUNL (Erstwhile JSEB)	1,55,81,457		1,37,88,900	



KARANPURA ENERGY LIMITED
Engineering Building, HEC, Dhurwa, Ranchi - 834004, Jharkhand

NOTE NO. 13 FIXED ASSETS

S.NO.	DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		AS ON 01.04.2017	AS AT 31.03.2018	ACCUMULATED UPTO 31.03.2017	FOR THE year 2017-18	TOTAL UPTO 31.03.2018	AS ON 31.03.2018 AS ON 31.03.2017
1	FURNITURE & FIXTURES	4,02,065.00	4,02,065.00	98,038.00	25,451.00	1,23,489.00	
2	OFFICE EQUIPMENTS	11,319.00	11,319.00	3,368.00	716.00	4,084.00	
	TOTAL	4,13,384.00	4,13,384.00	1,01,406.00	26,167.00	1,27,573.00	3,11,978.00
	Figures of Previous Year	4,13,384	4,13,384	75,239	26,167	1,01,406	3,38,145.00



(Handwritten signature)
A. D. Singh

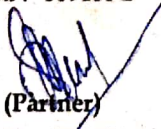
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

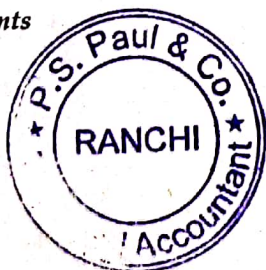
PARTICULAR	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (loss) before tax	(3,58,01,442.00)	(3,40,08,767.00)
Adjusted for :		
Depreciation	26,167.00	26,167.00
Operating profit before working capital changes	(3,57,75,275.00)	(3,39,82,600.00)
Adjusted for :		
Inventories	-	-
Trade and other receivable	(75,000.00)	-
Trade Payables and other payable	17,800.00	17,700.00
Cash generated from Operations	(3,58,32,475.00)	(3,39,64,900.00)
Less : Direct Taxes Paid	-	-
Net Cash used in Operating Activities I	(3,58,32,475.00)	(3,39,64,900.00)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	-
Net Cash used in investing Activities II	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds from Long term and other borrowings	3,57,57,457.00	3,23,78,567.00
Net Cash from Financing Activities III	3,57,57,457.00	3,23,78,567.00
Net increase / (decrease) in cash and cash equivalents (I + II + III)	(75,018.00)	-
Cash and cash equivalents as at the beginning of the year	15,85,02,207.00	15,85,02,207.00
Cash and cash equivalents as at the end of the year	15,84,27,189.00	15,85,02,207.00

- 1 Proceeds from long term and borrowings are shown net of repayments .
- 2 Cash and cash equivalents represent cash and bank balances only.
- 3 Previous year figures, if any have been re-grouped/ re classified to confirm to current year classification.

AS PER OUR REPORT OF EVEN DATE

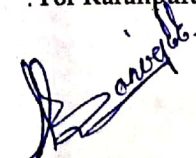
For P.S. Paul & Co.
Chartered Accountants
FRN- 009155C


(Partner)
M.No. 078790



Dated : 24/09/2018
Place : Ranchi

For Karanpura Energy Limited


(Director)


(Director)