

REVISED INDEPENDENT AUDITOR'S REPORT

To
The Members of
KARANPURA ENERGY LIMITED

Report on the Audit of the Standalone Financial Statements

The revised Independent Auditor's Report is issued in supersession of our earlier Independent Auditor's Report for the Financial year 2018-19 dated 03.12.2019 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 comments 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 2019 as known to us. The basis of Adverse Opinion have been duly incorporated in this Audit report under Basis of Adverse Opinion.

Adverse Opinion

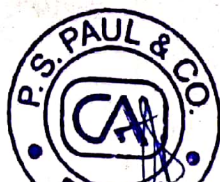
We have audited the financial statements of **KARANPURA ENERGY LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss along with cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of matter described in the Basis for Adverse Opinion paragraph of our report, the aforesaid financial statements do not give true and fair view in conformity with the accounting principles generally accepted in India.

1. In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019, and
2. In the case of the statement of profit & loss, of the Loss for the year ended on that date and
3. In the case of Statement of Cash Flow for the year ended on that date.

Basis for Adverse Opinion

The Original audit report has been signed on 3rd December, 2019. After that the Mourya Coal block has been de-allocated by Ministry of Coal, Government of India vide letter No. 13016/04/2015-CA-I(FTS No. 324263) Dated- 27th December, 2019. As directed by the C & AG this point has been incorporated in our adverse opinion para. This situation indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. As the audit report to the said financial statement has already been given on 3rd December, 2019 and financial statement has not been changed after that and hence the financial statement and notes thereto do not adequately disclose this matter.



- a) Coal Block has been de- allocated by Ministry of Coal, Government of India for power project to be set up by the Company.
- b) Company has violated the provisions of section 173(1) of the companies Act, 2013 by not holding the minimum prescribed number of Board meetings in the year 2018-19
- c) An amount of Rs. 3.93 crores, paid as consultancy fees should have been shown as part of CWIP instead of showing it as other Non- Current Assets.
- d) No Establishment / Employees expenses were incurred by the Company.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Adverse Opinion Section, we have determined the matters described below to be the key audit matters to be communicated in our report: -

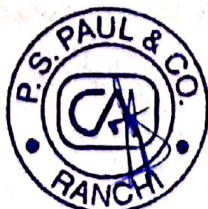
Key Audit matter

In views of the estimates and assumptions involved in preparation of financial statement we identified these matters as a key audit matters.

All the audit points provided in Basis of Adverse Opinion consisting of points (a) to (d) are Key audit matters.

How our Audit Addressed the key audit matter

As already mentioned in Para 'Basis for Adverse Opinion' We have duly reported the important matters that came to our knowledge on the basis of test check basis and information and explanation given by the management. Further since the Coal block has been de – allocated by Ministry of Coal, Government of India, we are unable to comment on the true and fairness of the current value of expenditure incurred thereon and the management has not calculated the realisable value of this report till date.



Responsibilities of Management and Those Charged with Governance for the Consolidated 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the



company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**ANNEXURE A**" a statement on the matters specified in paragraphs 3 & 4 of the order, to the extent applicable.
2. As required by section 143(5) of the Act, on the basis of such check of the books and record of the company as we considered appropriate and according to the information and explanation given to us, we give in "**ANNEXURE B**" a statement on the directions and sub-directions issued by Comptroller and Auditor General of India, for the company.



3. 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE C".
 - (g) 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. No information or explanation has been provided to us regarding 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, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Ranchi

Date: 4th September, 2020



For P. S. PAUL & Co
Chartered Accountants
Firm Reg. No.: -009155C


(P. S. Paul)

Partner

M.No:078790

UDIN – 20078790AAAAAP4382

KARANPURA ENERGY LIMITED
RANCHI
Annexure 'A' to the Auditors' Report

Annexure - A

Referred to in paragraph (i) under heading " Report on other legal and Regulatory Requirements" of our report of even date to the financial statement of the company for the year ended 31st March 2019.

S.No.	Particulars	Auditors Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The company has generally maintained proper records showing adequate particulars including quantitative details and location of fixed assets.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	As per the information and explanation supplied by the management, the fixed assets of the company has been physically verified by the management at the close of the year and no discrepancies was found.
	(c) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	There are no immovable properties in the name of the company.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	There are no inventory of the company during the year of audit hence this question is not applicable.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so,	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 Companies Act, 2013 therefore, clause 3 (iii) of Companies (Auditor's Report) Order, 2016 is not applicabl to the compapny.
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	Not Applicable
	(b) Whether the schedule of repayment of principal and interest have been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(c) If the amount is overdue, state the amount overdue for more than ninty days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable
(iv)	In respect of loans, investments guarantees, and security whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof.	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) of Companies (Auditor's Report) Order, 2016 is not applicable to the company.



(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	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) of Companies (Auditor's Report) Order, 2016 is not applicable to the company.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained;	Maintenance of cost records has not been prescribed by the Central Government u/s 148 (1) (d) of the Companies act, 2013.
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-Tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated.	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 deposited regularly 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.
	(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	According to the information and explanations given to us there are no disputed statutory dues so this clause is not applicable.
(viii)	Whether the company has defaulted in repayment of loans as borrowing to financial institution or bank Govt. or due to debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided).	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.
(ix)	Whether moneys raised by way of Initial public offer as further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;	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)	Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; if yes, the nature and the amount involved be indicated.	As per the information and explanations of the management, we report that no fraud on or by the company has been noticed or reported during the year.
(xi)	Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	No Managerial Remuneration has been Paid.
(xii)	Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.	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)	Whether all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.	According to information and explanations given to us, the company has no transactions with their related parties, as such clause 3 (xiii) of the companies (Auditor's Report) Order, 2016 is not applicable to the company.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details in respect of the amount involved and nature of non compliance.	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 the company.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	According to information and explanations given to us, no Cash transactions with directors or persons connected with him are done by the company hence clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained	The company is not required to be registered u/s 45(1A) with RBI.

Place:- Ranchi

Dated:- 4th September, 2020



For P. S. Paul & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 009155C


(P. S. Paul)
Partner

M. NO. - 078790
UDIN - 20078790AAAAAP4382

"Annexure – B to Independent Auditor's Report"

Report on the Directions of the Comptroller and Auditor General of India required under sub section 5 of section 143 of the companies Act, 2013

SUB - ANNEXURE I

1. Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?

As per information and explanation given by management, the company does not holds any leasehold property.

2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there of and amount involved.

There was no case of waiver/write off of debts/loans/interest as informed to us.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other Authorities.

As per information and explanation provided by the company, it does not have any inventory lying with third parties or any assets received as gift/grant from Government or other authorities.

SUB- ANNEXURE II

INFRASTRUCTURE SECTOR

1. Whether the company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the company is encroached under litigation.

As per information and explanation provided to us there is no land in the name of the company.

2. Whether the system in vogue for identification of projects to be taken up under public private partnership is in the line with the guidelines/policies of the Government? Comment on deviation if any.

As per information and explanation provided to us, there is no project that have been taken up under public private partnership.

3. Whether system for monitoring the execution of works vis-s-vis the milestone stipulated in the agreement is in existence and the impact of cost escalation. If any, revenues/losses from contracts, etc., have been properly accounted for in the books.

As per information and explanation provided to us no work has been executed during the year.

4. Whether funds received /receivable for specific schemes from central/state agencies were properly accounted for/ utilized? List the cases of deviations.



As per information and explanation provided to us no fund has been received by the company from Central/State agencies during the financial year.

5. Whether the bank guarantees have been revalidated in time?

No information or explanation by the company has been provided to us regarding aforementioned matter.

6. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and case obtained.

There is no Trade payables or receivables in the books of the company. we have obtained the Bank statement for the confirmation of bank balance as on 31.03.2019. However, no documents/ Reconciliation were produced to us for the confirmation of balance lying with treasury (i.e. for PLA A/c).

7. The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.

As per the information and explanation provided to us company does not have any abandoned projects.

8. The list of pending legal cases at the beginning of the year and at the end of the year along with details of year, name of court of law, amount involved latest position in brief as on date.

No information or explanation by the company has been provided to us regarding aforementioned matter.

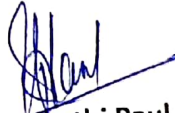
9. The list of pending statutory dues as on date.

No information or explanation by the company has been provided to us regarding aforementioned matter.

Place:- Ranchi
Date : 4th September, 2020



For P. S. Paul & Co.
Chartered Accountants
Firm Regn.No:- 009155C


Partha Sarathi Paul
(Partner)
M. No. 078790
UDIN - 20078790AAAAAP4382

“Annexure C” to the 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** as of March 31, 2019 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

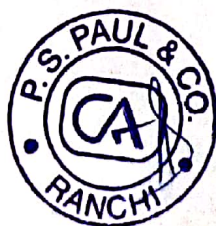
These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and 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 judgement, 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.

Opinion

The management has employed resources for maintaining a proper internal control, but with the expanding scope of business and in view of the growing complexity of doing business and ever changing laws & compliances the organization should improve its internal control.

Place:- Ranchi

Date : 4th September, 2020



For P. S. Paul & Co.
Chartered Accountants
Firm Regn.No:- 009155C

Partha Sarathi Paul
(Partner)

M. No. 078790

UDIN - 20078790AAAAAP4382

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

BALANCE SHEET AS AT 31st MARCH, 2019

		(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	500,000.00	500,000.00
(b) Reserves and Surplus	3	(251,886,130.00)	(195,171,302.00)
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	4	509,716,449.00	471,933,402.00
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term liabilities		-	-
(d) Long Term Provisions	5	18,740,400.00	-
4 CURRENT LIABILITIES			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	6	17,100.00	100.00
(d) Short-Term Provisions	7	49,550.00	155,750.00
TOTAL.....		277,137,369.00	277,417,950.00
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	8	79,508,394.00	79,534,561.00
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	9	39,326,000.00	39,326,000.00
(e) Other non-current assets		-	-
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	10	158,245,747.00	158,427,189.00
(d) Cash and bank balances	11	55,200.00	130,200.00
(e) Short-term loans and advances	12	2,028.00	-
(f) Other current assets		-	-
TOTAL.....		277,137,369.00	277,417,950.00

ACCOUNTING POLICIES & NOTES TO ACCOUNT

1

As per our report annexed the Note No. 1 to 16 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

Partha Sarathi Paul
(Partner)

M. No. - 078790

UDIN :-

Date :

Place: Ranchi



For Karanpura Energy Limited

Director
DIN -01437506

Managing Director
DIN -07756684

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

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	(56,714,828.00)	(35,801,442.00)
Adjusted for :		
Depreciation	26,167.00	26,167.00
Operating profit before working capital changes	(56,688,661.00)	(35,775,275.00)
Adjusted for :		
Inventories	-	-
Trade and other receivable	72,972.00	(75,000.00)
Trade Payables and other payable	18,651,200.00	17,800.00
Cash generated from Operations	(37,964,489.00)	(35,832,475.00)
Less : Direct Taxes Paid	-	-
Net Cash used in Operating Activities I	(37,964,489.00)	(35,832,475.00)
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	37,783,047.00	35,757,457.00
Proceeds from Long term and other borrowings	-	-
Net Cash from Financing Activities III	37,783,047.00	35,757,457.00
Net increase / (decrease) in cash and cash equivalents (I + II + III)	(181,442.00)	(75,018.00)
Cash and cash equivalents as at the beginning of the year	158,427,189.00	158,502,207.00
Cash and cash equivalents as at the end of the year	158,245,747.00	158,427,189.00

- 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

Partha Sarathi Paul
(Partner)

M. No. - 078790

UDIN :-

Dated :

For Karanpura Energy Limited

Director
DIN -01437506

Managing Director
DIN -07756684

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019

(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	13	-	-
II.	Other Income		123,717.00	-
III.	Total Revenue (I + II)		123,717.00	-
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	14	43,137,447.00	35,757,457.00
	(e) Finance Costs	16	26,167.00	26,167.00
	(f) Depreciation and amortisation exp.	15	288,931.00	17,818.00
	(g) Other Expenses		43,452,545.00	35,801,442.00
	TOTAL EXPENSES			
V.	Profit before exceptional and extraordinary items (III - IV)	14	(43,328,828.00)	(35,801,442.00)
VI.	Exceptional items		13,386,000.00	-
VII.	Profit before extraordinary items and tax (V - VI)		(56,714,828.00)	(35,801,442.00)
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		(56,714,828.00)	(35,801,442.00)
X.	Tax Expenses:		-	-
	(1) Current Tax		-	-
	(2) Deferred Tax		(56,714,828.00)	(35,801,442.00)
XI.	Profit/(Loss) for the period (IX - X)		(1,134.30)	(716.03)
XII.	Earnings per equity share:		-	-
	(1) Basic			
	(2) Diluted			

1

ACCOUNTING POLICIES & NOTES TO ACCOUNT

As per our report annexed the Note No. 1 to 16 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

Partha Sarathi Paul
(Partner)
M. No. - 078790
UDIN :-



For Karanpura Energy Limited

Director
DIN -01437506

Managing Director
DIN -07756684

Date:
Place: Ranchi

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

Schedules Forming Part of Balance Sheet As At 31st March 2019

Note No.	PARTICULARS		Figures as at the end of current reporting period	Figures as at the end of Previous reporting period	
2	(i)	SHARE CAPITAL			
		SHARES AUTHORISED			
		50,000 Equity Shares of Rs.10 each (Previous year : 50,000 equity shares of Rs. 10each)	500,000.00	500,000.00	
	(ii)	SHARES ISSUED , SUBSCRIBED AND FULLY PAID			
		50,000 Equity Shares of Rs.10 each Fully called and paid up. (Previous year : 50,000 Equity shares of Rs.10 each fully paid up)	500,000.00	500,000.00	
			500,000.00	500,000.00	
	(iii)	No Fully Paid up shraes were issued without payment received in cash within a period of Five Years immediately preceeding this year.			
	(iv)	Reconciliation of shares outstanding at the beginning and at the end of the reporting Period.			
		PARTICULARS	Opening Bal.	Issued	Closing
		Year Ended 31st March 2018			50,000.00
No. of shares		50,000	-	5,000,000.00	
Amount(in Rs)		500,000	-		
Year Ended 31st March 2019				50,000.00	
No. of shares		50,000	-	5,000,000.00	
Amount(in Rs)		500,000	-		
(v)		Details of shareholders holding more than 5% shares in the company			
			31st March 2019		31st March 2018
	Equity shares of Rs. 10 each fully paid				
(vi)	Name of Shareholder	50000	100%	50000	100%
	JUUNL (Erstwhile JSEB)				
	Terms/ Right attached to Equity shares:- The Company has only one class of shares i.e, Equity shares having a par value of Rs. 10 per share with equal rights for dividend & repaymnet. Each holder of the shares is entitled to one vote per share. Dividend on equity shares whenever propsoed by the Board of Ditrectors is subject to the approval of the Shareholders in the Annual General Meeting.				
3		RESERVES & SURPLUS			
		Opening Balance	(195,171,302.00)	(159,369,860.00)	
		Add: Net Profit as Per Statement of Profit and Loss	(56,714,828.00)	(35,801,442.00)	
		Closing Balance	(251,886,130.00)	(195,171,302.00)	

Director
DIN -01437506

Managing Director
DIN -07756684



4		LONG TERM BORROWINGS		
	(i)	Loan from State Govt. ^(*)	155,200,000.00	155,200,000.00
		Interest on above	121,221,830.00	101,045,830.00
		(a)	276,421,830.00	256,245,830.00
		(*) As per findings of the CAG the actual amount of sanctioned loan is Rs.15.12 Crores for Karnapura Energy Limited. Clarification for difference of RS. 40 lacs has been sought from Government department and it will be incorporated as and when information will me made available to us by the Government Department.		
	(ii)	Unsecured Loan From Related Parties		
		JUUNL (Erstwhile JSEB)	39,326,000.00	39,326,000.00
		Interest on above	113,719,869.00	96,112,822.00
		UP's Cost of Geological Report	10,777,830.00	10,777,830.00
		UP against admin expenses	500,000.00	500,000.00
		Bihar cost of Geolocial Report	17,963,050.00	17,963,050.00
		Bihar against admin expenses	500,000.00	500,000.00
		Jharkhand-Cost of geological report	43,111,320.00	43,111,320.00
		Jharkhand loan against the share of UP and Bihar	7,396,550.00	7,396,550.00
		(b)	233,294,619.00	215,687,572.00
		TOTAL	509,716,449.00	471,933,402.00
5		Long Term Provisions		
		Provision for penal interest (Current year) ⁽¹⁾	5,354,400.00	-
		Provision for penal interest(Prior Period) ⁽¹⁾	13,386,000.00	-
		TOTAL	18,740,400.00	-
		⁽¹⁾ The Penal Interest on non payment of installment of loan and interest due thereon has been provided @ 2.5 % on Rs. 15.52 Crores. Due to non confirmation from the Govt. Department, penal Interest is provided on Rs. 15.52crs.The penal interest on difference of Rs.40.00 lakhs will have a impact on financial statement by Rs.1 lacs each year and will be incorporated accordingly after getting confirmation from Govt. Department.		
6		OTHER CURRENT LIABILITIES		
		Payable to A.O KEL	17,100.00	100.00
		Keep back from M/S Satish kumar & Associates.	17,100.00	100.00
		Terms of Borrowing:		
		Nature of Loan / Security	: Long Term / Unsecured / For the Corpus	
		Terms of Repayment	: After recovery of expneses from selected developer	
		Rate of Interest	: 13%	

Director

DIN -01437506

Managing Director
DIN -07756684



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

Schedules Forming Part of Balance Sheet As At 31st March 2019

Note No.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
7	SHORT TERM PROVISIONS		
	(i) Provision for Audit Fees	35,400.00	141,600.00
	(ii) Advertisement Expenses Payable	14,150.00	14,150.00
		49,550.00	155,750.00
8	Fixed Asset		
	Geological report (CWIP)	79,248,750.00	79,248,750.00
	OFFICE EQUIPMENTS	11,319.00	11,319.00
	FURNITURE & FIXTURES	402,065.00	402,065.00
	GROSS Block	79,662,134.00	79,662,134.00
	Less: Depreciation (Gross)	153,740.00	127,573.00
	Net assets (W.D.V)	79,508,394.00	79,534,561.00
		39,326,000.00	39,326,000.00
9	OTHER NON CURRENT ASSETS		
10	CASH AND BANK BALANCE		
	(i) Bank Balance	3,045,747.00	3,227,189.00
	(ii) Cash In hand	-	-
	(iii) Balance with Treasury	155,200,000.00	155,200,000.00
		158,245,747.00	158,427,189.00
11	SHORT TERM LOANS & ADVANCES		
	(i) Advance to Staff	51,000.00	51,000.00
	Ao Trans.	3,000.00	78,000.00
	- Manoj marshal murmu	1,200.00	1,200.00
	- Sudhanshu Kumar	55,200.00	130,200.00
		2,028.00	-
12	CURRENT ASSETS		
	Tds deducted		

Director
PIN -01437506

Managing Director
DIN -07756684



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 2019

Note No.	PARTICULARS		Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
13		OTHER INCOME		
		(i) Bank Interest	108,306.00	-
		(ii) Sale of Bid Documents	15,411.00	-
		(iii) Prior Period Income	123,717.00	-
14		Finance cost		
		Interest on unsecured loan @ 13%	17,607,047.00	15,581,457.00
		Interest on Govt. loan @ 13% ⁽²⁾	20,176,000.00	20,176,000.00
			5,354,400.00	
		Penal interest on Loan	43,137,447.00	
			13,386,000.00	
		Prior period penal interest	56,523,447.00	35,757,457.00
		⁽²⁾ The Interest on loan has been provided @ 13 % on Rs. 15.52 Crores due to non confirmation from the Govt. Department. Interest on difference of Rs. 40 lacs will have a impact on financial statement by Rs.5.2 lacs each year if the figure is overstated by Rs.40 lacs and will be incorporated accordingly after getting confirmation from Govt. Department.		
15		OTHER EXPENSES		
		(i) Audit Fees	17,700.00	17,700.00
		(ii) Bank Charges	236.00	118.00
		(iii) Income Tax	-	-
		(iv) Office Expenses	-	-
		(v) Consultancy fees ⁽³⁾	270,995.00	-
		⁽³⁾ It includes prior period expense of Rs. 67,260/-	288,931.00	17,818.00

Director
DIN -01437506

Managing Director
DIN -07756684



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

(Amt. in Rs.)

Note No. 16 Fixed Assets Annexed to and forming part of Balance sheet as at 31st March, 2019

Engineering Building, ...									
Note No. 16 Fixed Assets Annexed to and forming part of Balance sheet as at 31st March, 2019									
S.NO.	DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
		AS ON 01.04.2018	AS AT 31.03.2019	ACCUMULATED UPTO 31.03.2018	FOR THE year 2018-19	TOTAL UPTO 31.03.2019	AS ON 31.03.2019	AS ON 31.03.2018	
1	FURNITURE & FIXTURES	402,065.00	402,065.00	123,489.00	25,451.00	148,940.00	253,125.00	278,576.00	
2	OFFICE EQUIPMENTS	11,319.00	11,319.00	4,084.00	716.00	4,800.00	6,519.00	7,235.00	
	TOTAL	413,384.00	413,384.00	127,573.00	26,167	153,740.00	259,644.00	285,811.00	
	Figures of Previous Year	413,384	413,384	101,406	26,167	127,573	285,811	-	

[Signature]
Director
DIN -01437506

[Signature]
Managing Director
DIN -07756684



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, no any revenue from operation has been recognised.

7) Borrowing Cost :

(i) Rs. 37783047/- being the interest paid to JUUNL and Govt. of Jharkhand has been charged to the Statement of Profit & Loss.

(ii) Rs. 53,54,400/- being the penal interest has been charged to Statement of Profit and Loss for non repayment of Loan to Government.

(ii) Interest has been booked on the basis of amount allotted to the Company and not on the utilised amount

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

Partha Sarathi Paul
(Partner)

M. No. - 078790

UDIN :-

Date:

Place : Ranchi



Director
DIN -01437506

Managing Director
DIN -07756684

Note -1

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:

Sl No.	Particulars	Amount (in Rs.) 2018-19	F.Y 2017-18
1	INTEREST ON LONG TERM BORROWINGS		15,581,457.00
	JUUNL (Erstwhile JSEB)	17,607,047.00	

III Deferred Tax

As per para 15 of Accounting Standards-22, Accounting for Taxes on Income, deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Since there is no any reasonable certainty about the sufficient future taxable income, deferred tax assets not recognised and carried forward.

As per para 17 of Accounting Standards-22, Accounting for Taxes on Income, deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Since there is no any reasonable certainty supported by convincing evidence, deferred tax assets not recognised and carried forward.

IV The Balance of Rs. 15.52 crores is lying with the Government Treasury is subject to verification with the Treasury.

V Findings of CAG regarding below mentioned items has been taken into consideration and recorded as follows:-

a) Letter to Energy Department of Government has been sent for clarification of allocation of Rs.40 lacs, and it will be incorporated in books as and when we will get confirmation regarding the same.

b) Interest and Penal Interest will also be accounted accordingly after getting confirmation from Government Department.

(c) There is substantial chance for recovery of Advances and company is initiating actions for the recovery of the same. This matter has been communicated to AO transmission for adjustment vouchers and as soon as it is received adjustment entry will be taken.

(d) The Last Annual General meeting was duly held on 13th August, 2018.

(e) The company has followed same accounting policies as followed by its holding company i.e. M/s JUUNL.

Note 1 to 15 forming integral part of the financial statements.

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

Partha Sarathi Paul
(Partner)

M. No. - 078790

UDIN :-

Date:

Place : Ranchi



For Karanpura Energy Limited

Director
DIN -01437506

Managing Director
DIN -07756684