

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PATRATU ENERGY LIMITED

Report on the financial statements

We have audited the accompanying Financial Statements of **Patratu Energy Limited** which comprise the Balance Sheet as at 31st March 2014, and the statement of Profit and Loss and 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

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards referred to in sub-sections (3C) of section 211 of the Companies Act, 1956 ("the act"). The responsibility includes the design, implementation and maintenance of internal control 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 these financial statements based on our audit. We conducted our audit in accordance standards on auditing issued by the Institute of Chartered Accountants of India. 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 disclosure in the financial statements, whether due to fraud and error. In making those risk assessments, the auditor consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner se required and give a tue and fair view in conformity with the accounting priciples generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- (a) In case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (a) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

o/c



Emphasis of Matter Paragraph

Without qualifying our opinion, we draw our attention to Note 1(B)(III) in the financial statements which indicates that the decision taken by the Government of Jharkhand to expand and develop 4000 MW PTPS by forming a joint venture between GoJ and NTPC has widely harmed the object of company for which it was specially formed by erstwhile JSEB. These conditions along with other matters as set forth in Note 1(B)(III) cast significant doubt about the Company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the companies (Auditor's Report) (Amendment) Order 2004, ("the order") issued by the Central Government in terms of sub-section 4A of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- a. We have 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 accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by the report is in agreement with the books of accounts of the Company.
- d. In our opinion, the Balance Sheet complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e. Being the Government Company, pursuant to the Notification No. GSR 899 (E) dated 21st October 2003 issued by Government of India, provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, are not applicable to the Company.

Date : 14/04/2017

Place : Ranchi

For **N. K. D & CO.**

Chartered Accountants

FR No.- 323664E



M.No 542472

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal & Regulatory Requirements" of our report of even date to the members of **PARTATU ENERGY LIMITED**, on the accounts of the company for the year ended as **on 31st March, 2014**)

- i (a) According to the information and explanations given to us, the company has no fixed assets during the year under audit. Therefore, provision of paragraph 4 (i)(a) of the said order is not applicable to the company.
- (b) According to the information and explanations given to us, the company has no fixed assets during the year under audit. Therefore, provision of paragraph 4 (i)(b) of the said order for physical verification is not applicable.
- (c) In our opinion and according to the information and explanation given to us, the company has no fixed assets during the year under audit the company has not made any disposals of fixed assets during the year
- ii (a) As explained to us, the company has no any inventory during the year under audit, Therefore, provision of paragraph 4(ii)(a) of the said order is not applicable to the company.
- (b) As explained to us, the company has no any inventory during the year under audit, Therefore, provision of paragraph 4(ii)(b) of the said order is not applicable to the company and therefore, we are not commenting on the said matter.
- (c) As explained to us, the company has no any inventory during the year under audit, Therefore, provision of paragraph 4(ii)(c) of the said order is not applicable to the company and therefore, we are not commenting on the said matter.
- iii (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) Since, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, the provision of paragraph 4(iii)(b) of the said order is not applicable. Therefore, we are not commenting on the said matter therein.
- (c) Since, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, the provision of paragraph 4(iii)(c) of the said order is not applicable. Therefore, we are not commenting on the said matter therein.
- (d) Since, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, the provision of paragraph 4(iii)(d) of the said order is not applicable. Therefore, we are not commenting on the said matter therein.
- (e) The company has taken unsecured loans from one party which was covered under Register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs.9,98,54,607/- and the year end balance of unsecured loans is Rs. 9,98,54,607/-.
- (f) In our opinion and as per information and explanations given to us, the terms and conditions on which loans and advances have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
- (g) Company is not regular in payment of Interest and Principal.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services
- v (a) According to information & explanations given to us, the company has not entered into any contracts or arrangement referred to in under section 301 of the Companies Act, 1956 that need to be entered into the register maintained under that section.
- (b) According to information and explanation given to us, since, the company has not entered into any contracts or arrangements referred to in under section 301 of the Companies Act, 1956 provision of paragraph 4(v)(b) is not applicable to the company. therefore we are not commenting on the said matter.
- vi According to the information & explanations given to us, the company has not accepted any deposit from the public during the year under Audit within the meaning of the provisions of section 58A and 58AA of the Companies Act, 1956 and rules made thereunder. Hence, the provision of paragraph 4 (vi) of the said order is



- vii** Since, the company is neither a listed companies and/nor other companies having a paid-up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year concerned, nor having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, the provision of paragraph 4(vii) of the said order is not applicable.
- viii** According to information and explanation given to us, the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
- ix** (a) According to 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 the financial year under review for a period of more than six months from the date they became payable
- (b) According to information and explanations given to us, there is no any disputed statutory dues, therefore, provision of paragraph 4(ix)(b) is not applicable
- x** The Company has accumulated loss of Rs. 6,56,81,319/-. The Company has incurred Rs.4,87,98,569/- as cash loss during the financial year covered by our audit and incurred cash loss of Rs.1,68,82,750/- in immediately preceding financial year
- xi** Based on our audit procedures and the information and explanations given by the management we are of the opinion that during the year under audit the company were not under any dues to a financial institution or bank or debenture holders.
- xii** According to the information and explanations given to us, the company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4 (xii) of the said order are not applicable to the company.
- xiii** In our opinion, the company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore, provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv** In our opinion, the company is not dealing or trading in shares, securities, debenture and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the order are not applicable to the company
- xv** According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of paragraph 4 (xv) of the said Order are not applicable to the company.
- xvi** According to the information and explanations given to us, the company has not taken any term loan during the year. Therefore, the provisions of clause (xvi) of paragraph 4 of the Order are not applicable to the company
- xvii** According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments by the company.
- xviii** According to the information and explanations given to us, no preferential allotment of shares has been made by the company during the year.
- xix** According to the information and explanations given to us, the company has not issued any debentures during the year. Therefore the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the company.
- xx** According to the information and explanations given to us, the company has not raised any money by public issue during the year.



To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

Date : 14-04-2017
Place : Ranchi

For N. K. D & CO.
Chartered Accountants
FR No.- 323664E

(PARTNER)
M.No 542472

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

BALANCE SHEET AS AT 31st MARCH, 2014

(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	-
(b) Reserves and Surplus	3	(65,681,319.00)	(16,882,750.00)
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	4	99,854,607.00	-
(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	59,394,594.00	16,854,000.00
(d) Short-Term Provisions	6	71,000.00	28,750.00
TOTAL.....		94,138,882.00	-
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	7	88,131,413.00	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and bank balances	8	3,394,562.00	-
(e) Short-term loans and advances	9	2,612,907.00	-
(f) Other current assets		-	-
TOTAL.....		94,138,882.00	-

ACCOUNTING POLICIES & NOTES TO ACCOUNT

1

As per our report annexed the Note No. 1 to 12 Form an Integral Part of these Financial Statements.

In terms of our report to the even date

For NKD & CO.

Chartered Accountants

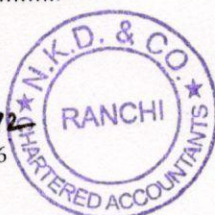
FRN 323664E

Chitu Bi
(Partner)

MNO-542472

Date : 02-09-2016

Place: Ranchi



For PATRATU ENERGY LIMITED

[Signature]
Director

[Signature]
Director

PATRATU ENERGY LIMITED

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

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2014

(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		-	-
II.	Other Income	10	2,975,000.00	-
III.	Total Revenue (I + II)		2,975,000.00	-
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		-	-
	(e) Finance Costs	11	1,072,381.00	-
	(f) Depreciation and amortisation exp.		-	-
	(g) Other Expenses	12	50,701,188.00	16,882,750.00
	TOTAL EXPENSES		51,773,569.00	16,882,750.00
V.	Profit before exceptional and extraordinary items (III - IV)		(48,798,569.00)	(16,882,750.00)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		(48,798,569.00)	(16,882,750.00)
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		(48,798,569.00)	(16,882,750.00)
X.	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
XI.	Profit/(Loss) for the period (IX - X)		(48,798,569.00)	(16,882,750.00)
XII.	Earnings per equity share:			
	(1) Basic		(975.97)	-
	(2) Diluted		-	-

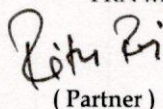
ACCOUNTING POLICIES & NOTES TO ACCOUNT**1**

As per our report annexed the Note No. 1 to 12 Form an Integral Part of these Financial Statements.

In terms of our report to the even date

For N.K.D. 210.

Chartered Accountants

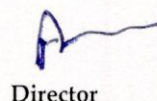
FRN 323664E


(Partner)
M No. 542472Date: 2/8/2016

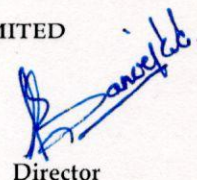
Place: Ranchi



For PATRATU ENERGY LIMITED



Director



Director

PATRATU ENERGY LIMITED

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

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	(48,798,569.00)	(16,882,750.00)
Adjusted for :		
Depreciation	-	-
Operating profit before working capital changes	(48,798,569.00)	(16,882,750.00)
Adjusted for :		
Inventories	-	-
Trade and other receivable	(2,612,907.00)	-
Trade Payables and other payable	42,582,844.00	16,882,750.00
Cash generated from Operations	(8,828,632.00)	-
Less : Direct Taxes Paid	-	-
Net Cash used in Operating Activities I	(8,828,632.00)	-
CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure	(88,131,413.00)	-
Sale of Fixed Assets	-	-
Net Cash used in investing Activities II	(88,131,413.00)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	500,000.00	-
Proceeds from Long term and other borrowings	99,854,607.00	-
Net Cash from Financing Activities III	100,354,607.00	-
Net increase / (decrease) in cash and cash equivalents (I + II + III)	3,394,562.00	-
Cash and cash equivalents as at the beginning of the year	-	-
Cash and cash equivalents as at the end of the year	3,394,562.00	-

- 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 have been re-grouped/ re classified to confirm to current year classification.

AS PER OUR REPORT OF EVEN DATE

For N.K.D. & CO.

Chartered Accountants

FRN- 323664E

Ritu Rai

(Partner)

M.M. 542472

Dated : 02-09-2016

Place : Ranchi



For and on behalf of the Board

(Director)

(Director)

A

R. Singh

PATRATU ENERGY LIMITED

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

Schedules Forming Part of Balance Sheet As At 31st March 2014

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> 50,000 Equity Shares of Rs.10 each (ii) <u>SHARES ISSUED, SUBSCRIBED AND FULLY PAID</u> 50,000 Equity Shares of Rs.10 each (iii) <u>PAR VALUE PER SHARE (FACE VALUE)</u> (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 (b) Share Issued during the year (c) Shares bought back (d) Closing number of outstanding shares (v) EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES SPECIFYING THE NUMBER OF SHARES HELD All Shares is Held by Holding Co. i.e. JUUNL (Earstwhile JSEB) and its nominees	500,000.00 500,000.00 10.00 - - 50,000.00 - 50,000.00 50,000.00	500,000.00 - 10.00 - - - - - -
3	<u>RESERVES & SURPLUS</u> Opening Balance Add: Net Profit as Per Profit and Loss A/c Closing Balance	(16,882,750.00) (48,798,569.00) (65,681,319.00)	- (16,882,750.00) (16,882,750.00)
4	<u>LONG TERM BORROWINGS</u> <u>Unsecured Loan</u> <u>From Related Party</u> (i) Loan From Government of Jharkhand	99,854,607.00 99,854,607.00	- -
	<u>Terms of Borrowing:</u> Nature of Loan / Security : Long Term / Unsecured Terms of Repayment : After recovery of expneses from selected developer Rate of Interest : 13% p.a Penal Interest : 2.5% p.a Discount of Interest on timely payment : 0.25%		

PATRATU ENERGY LIMITED

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

Schedules Forming Part of Balance Sheet As At 31st March 2014

Note No.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
5	<u>OTHER CURRENT LIABILITIES</u>		
	(i) Legal and Professional Expenses	13,500.00	-
	(ii) Consultancy Charges Payable	55,562,000.00	16,854,000.00
	(iv) TDS Payable	3,000.00	-
	(v) Interest on Loan from Govt. of Jharkhand	3,816,094.00	-
		59,394,594.00	16,854,000.00
6	<u>SHORT TERM PROVISIONS</u>		
	(i) Provision for Legal & Professional Expenses	13,500.00	-
	(ii) Provision for Audit Fees	57,500.00	28,750.00
		71,000.00	28,750.00
7	<u>FIXED ASSETS</u>		
	<u>Intangible Assets</u>		
	(i) Capital Work in Progress	88,131,413.00	-
		88,131,413.00	-
8	<u>CASH AND BANK BALANCE</u>		
	(i) Bank Balance	3,394,562.00	-
	(ii) Cash In hand	-	-
		3,394,562.00	-
9	<u>SHORT TERM LOANS AND ADVANCES</u>		
	(i) Advance for Drilling and Exploration Exp	2,612,907.00	-
		2,612,907.00	-

PATRATU ENERGY LIMITED

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

Schedules Forming Part of Statement of Profit and Loss As At 31st March 2014

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) Receipt from Sale of RFQ	2,975,000.00	-
		2,975,000.00	-
11	<u>FINCANCE COST</u>		
	(i) Interest on Unsecured Loan	1,072,381.00	-
		1,072,381.00	-
12	<u>OTHER EXPENSES</u>		
	(i) Legal and Professional Expenses	109,838.00	-
	(ii) Bank Charges	600.00	-
	(iii) Audit Fees	28,750.00	28,750.00
	(iv) Consultancy Fees to M/s PFCCL	50,562,000.00	16,854,000.00
		50,701,188.00	16,882,750.00

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 principals and the provisions of Companies Act, 1956.
- 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.

2) Fixed Assets : The Cost of Exploration and other drilling and development expenditure on coal block has been classified as Capital Work in Progress.

3) Contingent Liabilities: No any contingencies is assessed. Therefore, contingent liabilities are not provided for and disclosed by way of Notes to the Accounts.

4) Revenue Recognition: Since, company has not commenced any business during the year, no any revenue form operation has been recognised. Other Income include Sale of RFQ for Bid is recognised as and when cost of RFQ in form of Demand Draft has been received from bidders.

5) Borrowing Cost: To the extent the funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs capitalised on that asset is actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.
The amount of borrowing costs capitalised during the year is Rs. 27,44,313.00

B. NOTES ON ACCOUNTS

- I Contingent Liabilities not provided for.
- II Previous year figures have been regrouped/ rearranged wherever necessary to confirm to this year's classification.
- III As per decision taken by Government of Jharkhand vide its resolution no.1 against agenda no. 1076 in cabinet meeting held on 02.05.2015 which was communicated through letter no. 1077 on 02.05.2015, it was decided to expand PTPS sourcing from Banhardi Coal Block coal (earstwhile project of the company for which bid were organised) by forming a joint venture between GoJ (26%) and NTPC (74%). This decision has closed the project of PTPS expansion of the Company which has widely affect the object of company for which it was specially formed and therefore majorly affecting the assumption of Going Concern of the company.

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

(a) Company has taken Rs. 9,98,54,607.00 as unsecured loan from Government of Jharkhand and Closing balance as on 31.03.2014 is Rs. 9,98,54,607.00. Company has also booked Interest Rs.38,16,094/- on the above unsecured loan which is payable as on 31.03.2014.

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

Name of Related Party	Nature of Relationships
Jharkhand Urja Utpadan Nigam Limited	Holding company
Government of Jharkhand	Holds more than 50 % Shares in JUUNL

Note 1 to 12 forming integral part of the financial statements.

For N.K.D. & CO.

Chartered Accountants
FRN- 3236646

Retu Pri
(Partner)

M.M. 542472

Date: 02-09-2016

Place : Ranchi



For PATRATU ENERGY LIMITED

A
DIRECTOR

anvish
DIRECTOR