

**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** ("the company") which comprise the Balance Sheet as at 31st March 2015, 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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Company (Accounts) Rules, 2014. This 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 required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2015;
- (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.

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.

o/c



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act. We give in the Annexure I, a statement on the matters specified in paragraphs 3 & 4 of the said Order.

2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of books and records of the company as we consider appropriate and according to information and explanations given to us, in the Annexure II on the directions and sub-directions issued by Comptroller and Auditor

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 accounts as required by law have been kept by the Company, so far 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 agreement with the books of accounts of the Company.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified section 133 of the Companies Act, 2013, read with Rule 7 of The Companies (Accounts) Rules, 2014;
- e. Being the Government Company, pursuant to the Notification No. GSR 463 (E) dated 5th June 2015 issued by Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and according to the information and explanations given to us:
 - (i) There were no any pending litigations with the company;
 - (ii) The company has no any long-term contracts including derivative contracts as at March 31, 2015;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

Date : 15-04-2017
Place : Ranchi

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


[Signature]
(PARTNER)
M.No 542472

ANNEXURE I 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, 2015**

- 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 3 (i)(a) of the said order is not applicable to the
- (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 3 (i)(b) of the said order for physical verification is not applicable.
- ii As explained to us, the company has no any inventory during the year under audit, Therefore, provision of paragraph 3(ii) of the said order is not applicable to the company. Accordingly, we are not commenting on the provision of paragraph 3(ii)(a), 3(ii)(b) and 3(iii)(c) the said order.
- iii 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.
In view of the above, the clause 3(iii)(a) and 3(iii)(b) of the said order are not applicable.
- ✓ 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 As explained to us, company has not accepted deposits during the year.
- vi Maintenance of cost records as has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii (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 company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the financial year and no any 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 3(vii)(b) is not applicable.
- (c) According to the information and explanation given to us there is no any amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- vii The Company has accumulated loss of Rs. 5,57,41,507/-. The Company has not incurred any cash loss during the financial year covered by our audit, but incurred cash loss of Rs.4,87,98,569/- in immediately preceding financial year.
- ix 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.
- x According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institution. Therefore we are not commenting on the provisions of Clause (x) of paragraph 3 of the said order.
- xi According to the information and explanation given to us, company has not taken term loan during the year. Therefore, provision of clause (xi) of paragraph 3 of said order is not applicable to the company.



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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.

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

Date : 15-04-2017
Place : Ranchi



[Signature]
(PARTNER)
M.No 542472

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of Patratu Energy Limited on the accounts of the year ended

31st March 2015

SL. NO.	Directions / sub-directions u/s 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the direction	Impact on Financial Statement
I	Direction under section 143(5) of the Companies		
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	The Company has not been selected for disinvestment during the year.	Not Applicable
2	Whether there are any cases of waiver/write off of debts/loans/interest ect., if yes, the reasons there for and amount involved.	According to information and explanations given to us, there are no cases of waiver/write off of debts/loans/interest etc.	Nil
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities.	During the year under audit, Company have no any inventories and not received assets as gift/grant(s) from the Govt. or other authorities.	Nil
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local) may be given.	The Company has no pending legal cases.	Nil

For N. K. D & CO.

Chartered Accountants

FR No.- 323664E

Date : 15-04-2017

Place : Ranchi



(PARTNER)
M.No 542472

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

BALANCE SHEET AS AT 31st MARCH, 2015

(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	(58,812,909.00)	(65,681,319.00)
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	4	185,592,550.00	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	60,661,126.00	59,394,594.00
(d) Short-Term Provisions	6	3,157,652.00	71,000.00
TOTAL.....		191,098,419.00	94,138,882.00
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	7	174,153,453.00	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	16,944,966.00	3,394,562.00
(e) Short-term loans and advances	9	-	2,612,907.00
(f) Other current assets		-	-
TOTAL.....		191,098,419.00	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 N.K.D. & CO.

Chartered Accountants

FRN 323664E

Chitu Bi
(Partner)

M.M. 542474

Date: 02-09-2016

Place: Ranchi



For PATRATU ENERGY LIMITED

A
Director

B. Banerjee
Director

PATRATU ENERGY LIMITED

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

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2015

(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	13,600,000.00	2,975,000.00
III.	Total Revenue (I + II)		13,600,000.00	2,975,000.00
IV.	Expenses:			
	(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	3,581,842.00	1,072,381.00
	(f) Depreciation and amortisation exp.		-	-
	(g) Other Expenses	12	78,346.00	50,701,188.00
	TOTAL EXPENSES		3,660,188.00	51,773,569.00
V.	Profit before exceptional and extraordinary items (III - IV)		9,939,812.00	(48,798,569.00)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		9,939,812.00	(48,798,569.00)
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		9,939,812.00	(48,798,569.00)
X.	Tax Expenses:			
	(1) Current Tax		3,071,402.00	-
	(2) Deferred Tax		-	-
XI.	Profit/(Loss) for the period (IX - X)		6,868,410.00	(48,798,569.00)
XII.	Earnings per equity share:			
	(1) Basic		137.37	(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 NKD & CO......

Chartered Accountants

FRN 323664E

Rishi 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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

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	9,939,812.00	(48,798,569.00)
Adjusted for :		
Depreciation	-	-
Operating profit before working capital changes	9,939,812.00	(48,798,569.00)
Adjusted for :		
Inventories	-	-
Trade and other receivable	2,612,907.00	(2,612,907.00)
Trade Payables and other payable	1,281,782.00	42,582,844.00
Cash generated from Operations	13,834,501.00	(8,828,632.00)
Less : Direct Taxes Paid	-	-
Net Cash used in Operating Activities I	13,834,501.00	(8,828,632.00)
CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure	(86,022,040.00)	(88,131,413.00)
Sale of Fixed Assets	-	-
Net Cash used in investing Activities II	(86,022,040.00)	(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	85,737,943.00	99,854,607.00
Net Cash from Financing Activities III	85,737,943.00	100,354,607.00
Net increase / (decrease) in cash and cash equivalents (I + II + III)	13,550,404.00	3,394,562.00
Cash and cash equivalents as at the beginning of the year	3,394,562.00	-
Cash and cash equivalents as at the end of the year	16,944,966.00	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 NKD & CO......

Chartered Accountants

FRN- 3236646

[Signature]
(Partner)

MM-542472

Dated: 02-09-2016

Place : Ranchi



For and on behalf of the Board

[Signature]
(Director)

[Signature]
(Director)

PATRATU ENERGY LIMITED

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

Schedules Forming Part of Balance Sheet As At 31st March 2015

Note No.	PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
2	SHARE CAPITAL (i) SHARES AUTHORISED 50,000 Equity Shares of Rs.10 each (ii) SHARES ISSUED, SUBSCRIBED AND FULLY PAID 50,000 Equity Shares of Rs.10 each (iii) PAR VALUE PER SHARE (FACE VALUE) (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. Earstwhile JSEB and its nominees	500,000.00 500,000.00 10.00 50,000.00 - - 50,000.00 50,000.00	500,000.00 500,000.00 10.00 - 50,000.00 - 50,000.00 50,000.00
3	RESERVES & SURPLUS Opening Balance Add: Net Profit as Per Profit and Loss A/c Closing Balance	(65,681,319.00) 6,868,410.00 (58,812,909.00)	(16,882,750.00) (48,798,569.00) (65,681,319.00)
4	LONG TERM BORROWINGS Unsecured Loan From Related Party (i) Loan From Government of Jharkhand	185,592,550.00 185,592,550.00	99,854,607.00 99,854,607.00
	Terms of Borrowing: 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 2015

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	30,000.00	13,500.00
	(ii) Consultancy Charges Payable to M/s PFCCL	25,562,000.00	55,562,000.00
	(iii) Drilling and Exploration Exp Payable	11,840,837.00	-
	(iv) TDS Payable	-	3,000.00
	(v) Interest on Loan from Govt. of Jharkhand	23,228,289.00	3,816,094.00
		60,661,126.00	59,394,594.00
6	<u>SHORT TERM PROVISIONS</u>		
	(i) Provision for Legal & Professional Expenses	-	13,500.00
	(ii) Provision for Audit Fees	86,250.00	57,500.00
	(iii) Current Tax	3,071,402.00	-
		3,157,652.00	71,000.00
7	<u>FIXED ASSETS</u>		
	<u>Intangible Assets</u>		
	(i) Capital Work in Progress	174,153,453.00	88,131,413.00
		174,153,453.00	88,131,413.00
8	<u>CASH AND BANK BALANCE</u>		
	(i) Bank Balance	16,944,966.00	3,394,562.00
	(ii) Cash In hand	-	-
		16,944,966.00	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 2015**

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	1,700,000.00	2,975,000.00
	(ii)	Receipt from Sale of RFP	11,900,000.00	-
			13,600,000.00	2,975,000.00
11		<u>FINANCE COST</u>		
	(i)	Interest on Unsecured Loan	3,581,842.00	1,072,381.00
			3,581,842.00	1,072,381.00
12		<u>OTHER EXPENSES</u>		
	(i)	Legal and Professional Expenses	45,000.00	109,838.00
	(ii)	Audit Fees	28,750.00	28,750.00
	(iii)	Bank Charges	-	600.00
	(iv)	Printing & Stationery	2,096.00	-
	(v)	Printing charges of Share Certificate	2,500.00	-
	(vi)	Consultancy Fees to M/s PFCCL	-	50,562,000.00
			78,346.00	50,701,188.00

NOTES FORMING PART OF THE ACCOUNTS

NOTE : 1

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

- 1) Basis of preparatin of Finanical Statements
 - a. These financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on a accrual basis. These financial statements have been prepared to comply in all aspects with the accounting standards notified under the relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy in use.
 - b. All the assets and liabilities have been classified as current or non-current as per Companies operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the time between acquisition assets for processing and their realization on cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- 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 includes Sale of RFP for Bid, is recognised as and when cost of RFP in form of Demand Draft has been received from qualified 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. 1,58,30,353.00

Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles

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 formed and therefore majorly affecting the assumption of Going Concern of the company.
- IV Company has prepared its financial statement on going concern assumption, though there is a material uncertainty which is casting significat doubt about companies ability to continue as going concern.

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

(a) Company has taken Rs. 8,57,37,943.00 as unsecured loan from Government of Jharkhand and Closing balance as on 31.03.2015 is Rs.18,55,92,550.00. Company has also booked Interest Rs.1,94,12,195/- on the above unsecured loan and total interest payable as on 31.03.2015 is Rs.2,32,28,289.00.

(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

Ritu Rai
(Partner)

M No. 542472

Date : 02-09-2016

Place : Ranchi



For PATRATU ENERGY LIMITED

A
DIRECTOR

[Signature]
DIRECTOR