

## **Independent Auditors' Report**

**To**

**The Members of  
Pachwara Coal Mining Private Limited**

### **Report on the Standalone Ind AS financial statements**

We have audited the accompanying standalone Ind AS financial statements of Pachwara Coal Mining Private Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

### **Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone



Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017, and its results including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

### 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 Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss , Cash Flow Statement and the Statement of Changes in Equity dealt by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 B'; and



- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- i. The Company has no pending litigations as on March 31, 2017 requiring disclosure in the financial statements.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
  - iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company, Refer Note No.10 to the standalone Ind AS financial statements.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 000459S



*M. V. Ramana Murthy*

M. V Ramana Murthy  
Partner

Membership No.206439

Hyderabad, May 10, 2017

**Annexure A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Pachhvara Coal Mining Private Limited)

(i) The Company had not held any fixed assets during the period and accordingly requirements of paragraph 3(i) of the order are not applicable to the company.

(ii) In respect of its inventories:

According to information and explanations given to us, the Company did not deal in any Inventory during the period and accordingly requirements of paragraph 3(ii) of the order are not applicable to the company.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and accordingly paragraph 3(iii) of the Order are not applicable, at present.

(iv) According to the information and explanations given to us, the company has neither granted any loans, guarantees, securities nor made any investments covered under provisions of section 185 and 186 of the Act and accordingly paragraph 3(iv) of the Order is not applicable to the Company at present.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) (d) of the Act for the Company.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues including income tax, service tax, and any other material statutory dues applicable to it with the appropriate authorities during the period. The provisions of provident fund Act, sales tax, Wealth tax, Customs Duty, Value Added tax and cess, employees' state insurance and excise duty are not applicable to at present.

(b) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, customs duty, value added tax and cess which were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(a) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute.

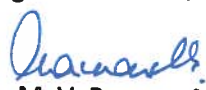


- (viii) According to the information and explanations given to us, the company has no loans or borrowings from financial institutions, banks or government. The company has not issued any debentures and accordingly, provisions of paragraph 3(viii) relating to default in repayment of dues are not applicable to the company at present.
- (ix) According to the information and explanations given to us, the Company has neither raised monies by way of public offer nor has availed any term loans during the period. Accordingly, provisions of paragraph 3(ix) of the Order are not applicable to the Company at present.
- (x) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period, nor have we been informed of such case by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided during the period. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the period.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Hyderabad, May 10, 2017



for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 000459S

  
M. V. Ramana Murthy  
Partner  
Membership No.206439

**Annexure B to the Independent Auditors' report  
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 Pachhwara Coal Mining Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 000459S



*M. V. Ramana Murthy*

M. V. Ramana Murthy  
Partner  
Membership No.206439

Hyderabad, May 10, 2017

PACHHWARA COAL MINING PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lakhs)

	NOTE	AS AT MARCH 31, 2017	
<b>ASSETS</b>			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	3	20.04	
Other Current Assets	4	1.45	
<b>Total Current Assets</b>			21.49
<b>Total Assets</b>			<b>21.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	5	20.00	
Other Equity	6	-	
<b>Total Equity</b>			20.00
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables	7	1.49	
<b>Total Current Liabilities</b>			1.49
<b>Total Equity and Liabilities</b>			<b>21.49</b>
Company Information and Significant accounting policies	1 & 2		

Accompanying notes form an integral part of the financial statements

In terms of our report attached  
For **M BHASKARA RAO & CO.**  
CHARTERED ACCOUNTANTS



*M V Ramana Murthy*  
M V Ramana Murthy  
Partner

For PACHHWARA COAL MINING PRIVATE LIMITED  
CIN NO:U10200TG2016PTC110024

*R.S. RAJU*  
R.S. RAJU  
Director  
DIN NO:00037918

*ROHIT REDDY BATHINA*  
ROHIT REDDY BATHINA  
Director  
DIN NO:06978828

Hyderabad, May 10, 2017



PACHHWARA COAL MINING PRIVATE LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31,2017

(₹ in Lakhs)

	NOTE	PERIOD ENDED MARCH 31, 2017	
<b>REVENUE</b>			
Revenue from Operations		-	
Other Income		-	
<b>Total Revenue</b>			-
<b>EXPENSES</b>			
Finance Costs		-	
Other Expenses		-	
<b>Total Expenses</b>			-
<b>Profit/(Loss) for the year before tax</b>			-
<b>Tax Expense</b>			-
<b>Profit/(Loss) for the Year</b>			-
<b>Other Comprehensive Income</b>			-
<b>Total Comprehensive Income</b>			-
Company Information and Significant accounting policies	1 & 2		

Accompanying notes form an integral part of the financial statements

In terms of our report attached

For M BHASKARA RAO & CO.

CHARTERED ACCOUNTANTS

  
M V Ramana Murthy  
Partner



For PACHHWARA COAL MINING PRIVATE LIMITED

CIN NO:U10200TG2016PTC110024

  
R.S. RAJU  
Director  
DIN NO:00037918

  
ROHIT REDDY BATHINA  
Director  
DIN NO:06978828

Hyderabad, May 10, 2017

PACHHWARA COAL MINING PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2017

Description	(₹ in Lakhs)
	Total
Equity Shares of Rs.10 each	
Balance as at March 31, 2016	-
Add : Shares issued during the year	20.00
Balance as at March 31, 2017	20.00

Other Equity		
Description	Retained Earnings	Total
Balance at the end of the March 31, 2016	-	-
Total comprehensive income for the year	-	-
Dividends	-	-
Balance at the end of the March 31, 2017	-	-

Accompanying notes form an integral part of the financial statements

In terms of our report attached  
for M. BHASKARA RAO & CO  
Chartered Accountants

  
M V Ramana Murthy  
Partner



Hyderabad, May 10, 2017

for and on behalf of the Board of  
PACHHWARA COAL MINING PRIVATE LIMITED  
(CIN NO:U10200TG2016PTC110024)

  
R.S RAJU  
Director  
DIN: 00037918

  
ROHIT REDDY BATHINA  
Director  
DIN NO:06978828

**PACHHWARA COAL MINING PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2017**

(₹ in Lakhs)

	Period Ended March 31, 2017
<b>A. Cash flow from operating activities</b>	
Net Profit/(Loss) before tax	-
Adjustments:	-
Operating profit / (loss) before working capital changes	-
<b>Changes in working capital:</b>	
Adjustments for (increase) / decrease in operating assets	
Other Current Assets	(1.45)
Adjustments for increase / (decrease) in operating liabilities:	
Trade Payables	1.49
<b>Cash generated from operations</b>	<b>0.04</b>
Net income tax (paid) / refunds	-
<b>Net cash flow used in operating activities (A)</b>	<b>0.04</b>
<b>B. Cash flow from investing activities</b>	-
<b>Net cash flow from investing activities (B)</b>	-
<b>C. Cash flow from financing activities</b>	
Proceeds from issue of share Capital	20.00
<b>Net cash flow from financing activities (C)</b>	<b>20.00</b>
<b>Net increase in Cash and cash equivalents (A + B + C)</b>	<b>20.04</b>
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>20.04</b>
<b>Notes:</b>	
1. The Cash Flow Statement is prepared in accordance with the indirect method and presents the cash flows by operating, investing and financing activities.	
2. Accompanying notes on accounts form an integral part of the Cash Flow Statement.	
3. Figures in bracket represents cash outflows.	

In terms of our report attached

for **M. BHASKARA RAO & CO**  
Chartered Accountants

*M V Ramana Murthy*

**M V Ramana Murthy**  
Partner



Hyderabad, May 10, 2017

for and on behalf of the Board of  
**PACHHWARA COAL MINING  
PRIVATE LIMITED**  
(CIN NO:U10200TG2016PTC110024)

*R.S. Raju*  
**R.S. RAJU**  
Director

DIN: 00037918

*Rohit Reddy Bathina*  
**ROHIT REDDY BATHINA**  
Director

DIN: 06978828

## PACHHWARA COAL MINING PRIVATE LIMITED

### Notes forming part of Financial statements

#### 1. Corporate Information

The company is a Special Purpose Vehicle (SPV) formed for carrying on the business of Mine Developer and Operator (MDO) for Development and Operation of the Pachhwara North Coal Block located in the state of Jharkhand awarded by the West Bengal Power Corporation Limited. The scope of the business to be carried on by the company as an MDO shall include Drilling and blasting, Excavation & Transportation of Overburden, Mining and Transportation of Coal, Coal Handling and allied activities, Construction of required infrastructure, undertaking community development and welfare activities of the social community.

#### 2. Significant accounting policies:

##### 2.1 Statement of Compliance:

The special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The provisions of Ind AS 101 *First time adoption of Indian Accounting Standards* has been applied.

##### 2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### 2.3 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

##### 2.4 Property, Plant & Equipment:

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.



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**Depreciation / amortization of Property, Plant & Equipment:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives and residual values of the tangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**2.5 Impairment of Assets:**

**i) Financial assets**

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

**ii) Non-financial assets**

**Property, Plant & Equipment**

Property, Plant and Equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.



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## 2.6 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

### Non-derivative financial Instruments

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 *Financial Instruments*, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

#### Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



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## 2.7 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

## 2.8 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.



A handwritten signature in blue ink, appearing to be "B. M.", written over a horizontal line.

PACHHWARA COAL MINING PRIVATE LIMITED  
Notes forming part of Financial statements

		(₹ in Lakhs)
		As on
		March 31, 2017
<b>3</b>	<b>Cash and Cash Equivalents</b>	
	Balances with Scheduled Banks In Current Accounts	20.04
	<b>Total</b>	<u>20.04</u>
<b>4</b>	<b>Other Current Assets</b>	
	Advances to Suppliers, Sub Contractors and Others Considered Good	1.45
	<b>Total</b>	<u>1.45</u>
<b>6</b>	<b>Other Equity</b>	
	Opening balance	-
	Add : Profit for the year	-
	Closing balance	<u>-</u>
<b>7</b>	<b>Trade Payables</b>	
	Trade Payables-Others	1.39
	Outstanding liabilities	0.10
	<b>Total</b>	<u>1.49</u>



A handwritten signature in blue ink, appearing to be "S. RAO".



**PACHHWARA COAL MINING PRIVATE LIMITED**  
Notes forming part of Financial statements

(₹ In Lakhs)

		As at March 31, 2017	
		Number of Shares	Amount
<b>5</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	Equity Shares of ₹ 10/- each	200,000	20.00
	<b>Issued, Subscribed and Fully Paid up</b>		
	Equity Shares of ₹ 10/- each	200,000	20.00
	<b>Total</b>	<b>200,000</b>	<b>20.00</b>

**5.1 Reconciliation of the numbers of shares and amount outstanding at the beginning and end of the reporting period**

		As at March 31, 2017	
		Number of Shares	Amount
	Equity Shares of ₹ 10/- each fully paid up		
	Balance at the beginning of the period	-	-
	Add: Allotment made during the period	200,000	20.00
	Balance at the end of the period	<b>200,000</b>	<b>20.00</b>

**5.2 Rights, preferences and restrictions attached to equity shares**

The equity shares of the Company having par value of ₹ 10/- per share rank pari passu in all respects including voting rights and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

**5.3 Details of shares held by the holding company and subsidiaries of the holding company**

		As at March 31, 2017	
		Number of Shares	Amount
	Equity Shares of ₹ 10/- each fully paid up		
	NCC Limited	102,000	10.20
	BGR Mining & Infra Private Limited	98,000	9.80

**5.4 Details of shares held by each shareholders holding more than 5% shares in the Company**

		As at March 31, 2017	
		Number of Shares	%
	Equity Shares of ₹ 10/- each fully paid up		
	NCC Limited	102,000	51%
	BGR Mining & Infra Private Limited	98,000	49%



*[Handwritten signature]*

**8 Related Party Transactions**

**8.1** Following is the list of related party and relationships

Related Party	Relationship
NCC Limited	Share Holders
BGR Mining & Infra Private Ltd	Share Holders

Year ended  
March 31, 2017

**8.2** Transactions during the year with related parties

<b>NCC Limited</b>	
Share Capital	10.20
Incorporation Expenses	1.39
<b>Total</b>	<b>11.59</b>
<b>BGR Mining &amp; Infra Private Limited</b>	
Share Capital	9.80
Expenditure	(1.45)
<b>Total</b>	<b>8.35</b>

**8.3** Balances as at end of the year March 31, 2017

<b>NCC Limited</b>	
Share Capital	10.20
Trade Payables-Others	1.39
<b>Total</b>	<b>11.59</b>
<b>BGR Mining &amp; Infra Private Limited</b>	
Share Capital	9.80
Advances to Others	(1.45)
<b>Total</b>	<b>8.35</b>

**9** Earning Per Share

	Year ended March 31, 2017	
Net Loss after tax available for equity shareholders	(₹ in lakhs)	-
Weighted average number of equity shares for basic and diluted EPS	(in Nos.)	150,137
Face Value per share	(in ₹)	10.00
Basic and Diluted EPS	(in ₹)	-

**10** The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
Add:			
Permitted receipts	-	-	-
Less:			
Permitted payments	-	-	-
Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**11** Since the company has been incorporated on 01.06 2016, the financial statements have been drawn up for the period from 01.06.2016 to 31.03.2017. Hence amounts for the previous year have not been furnished.



*[Signature]*

**PACHHWARA COAL MINING PRIVATE LIMITED**  
Notes forming part of Financial statements

**12 Financial Instruments**

**Capital management**

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through issue of equity capital.

For the purpose of capital management, capital includes issued equity capital and revenue reserves. There is no debt on the Company.

The following table summarises the capital of the Company:

(₹ in Lakhs)	
	As at March 31, 2017
<b>Equity</b>	20.00
Cash and cash equivalents	(20.04)
<b>Net debt</b>	(20.04)
<b>Total capital (equity + net debt)</b>	(0.04)

**Categories of financial instruments**

(₹ in Lakhs)	
	As at March 31, 2017
<b>Financial assets</b>	
<b>Measured at amortised cost</b>	
Cash and bank balances	20.04
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	1.49

**Financial risk management objectives**

The company's business activities are currently not exposed to any variety of financial risk viz., market risk, credit risk and liquidity risk.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. During the current period, the Company has no financial instruments whose fair values are susceptible to change due to market prices.

**Interest rate risk**

The Company has not dealt in any debt instruments during the year. Hence there is no interest rate risk applicable to the Company.

**Equity risks**

The Company does not currently have any investments into equity instruments. There are no equity risks applicable to the Company presently.



**Credit risk management**

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents amounts recoverable in the nature of reimbursement of expenses from related parties.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies.

**Liquidity risk management**

The Company manages liquidity risk by maintaining adequate balances in the form of cash and bank. There are no significant risks relating to liquidity applicable to the Company.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017:

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Other financial liabilities	1.49	1.49	-	-	1.49
<b>Total</b>	<b>1.49</b>	<b>1.49</b>	<b>-</b>	<b>-</b>	<b>1.49</b>

The table below provides details of financial assets as at March 31, 2017:

	Carrying amount
Other financial assets	20.04
<b>Total</b>	<b>20.04</b>



*broh*

**PACHHWARA COAL MINING PRIVATE LIMITED**  
**Notes forming part of Financial statements**

**13 Fair value measurements**

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

	Fair value hierarchy	As at March 31, 2017	
		Carrying amount	Fair value
<b>Financial assets</b>			
Financial assets at amortised cost:			
- Cash and cash equivalents	Level 2	20.04	20.04
		As at March 31, 2017	
	Fair value hierarchy	Carrying amount	Fair value
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
- Other financial liabilities	Level 2	1.49	1.49

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.



**For PACHHWARA COAL MINING PRIVATE LIMITED**  
 CIN NO:U10200TG2016PTC110024

*[Signature]*

**R.S.RAJU**  
 Director  
 DIN NO:00037918

*[Signature]*

**ROHIT REDDY BATHINA**  
 Director  
 DIN NO:06978828