

K. P. RAO  
K. VISWANATH  
DESMOND J. REBELLO  
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**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**PACHHWARA COAL MINING PRIVATE LIMITED**

**Report on the Indian Accounting Standards (Ind AS) Financial Statements**

**Opinion**

We have audited the accompanying Ind AS Financial Statements of **PACHHWARA COAL MINING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

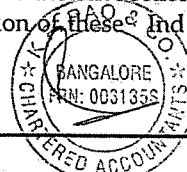
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Responsibilities of Management and Those Charged with Governance for the 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 Ind AS Financial



**Branches**

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Mysore : 74, 2nd Main, First Stage, Vijayanagar, Mysore - 570 017. Ph.: 0821-2517971  
Chennai : Flat 2-A, Second Floor, Shruthi 3/7, 8th Cross Street, Shastrinagar, Adayar, Chennai - 600 020. Ph.: 044- 24903137 / 45511564

Statements that give a true and fair view of the financial position and financial performance of the Company and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the audit of Ind AS Financial Statements**

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

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

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



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

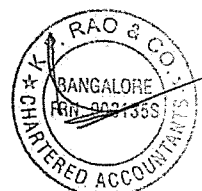
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material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

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

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

#### **Report on Other Legal and Regulatory Requirements**


- A. 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 1, a statement on the matters specified in the paragraph 3 and 4 of the order.
- B. As required by section 143(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 account as required by law have been kept by the Company so far as appears from our examination of those books;

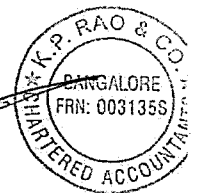


- c) the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of written representations received from directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2019, from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
- f) with respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure 2". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bengaluru  
Date: May 17, 2019

For K.P. Rao and Co.  
Chartered Accountants  
Firm Reg. No: 003135S

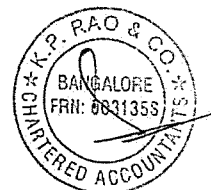
  
K. Viswanath  
Partner  
Membership No. : 022812



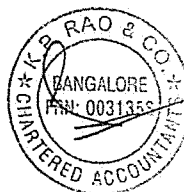
**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
IND AS FINANCIAL STATEMENTS OF PACHHWARA COAL MINING PRIVATE  
LIMITED**

We report that;

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
c) According to the information and explanations given to us the company has not held any immovable property during the year and hence paragraph 3(i)(c) of the Order is not applicable for the company.
2. In respect to inventories, the Company does not hold any inventories. Accordingly reporting under clause (ii) of paragraph 3 is not applicable.
3. a) 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 Companies Act, 2013 and accordingly reporting under clause (iii) of paragraph 3 of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any director, given any guarantee, provided any security in connection with any loan taken by any director or made investment through more than two layers of investment companies. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
6. According to the information and explanation given to us, the provisions of sub-section 1 of section 148 of the Companies Act, 2013 and rules made thereunder relating to maintenance of Cost Records are not applicable to the company for the year under audit. Accordingly reporting under clause (vi) of paragraph 3 is not applicable.



7. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.  
  
b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess, which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks & Financial Institutions.
9. The Company has not raised any monies, during the reporting period, by way of initial public offer or further public offer. The Company has not raised any monies, by way of term loans during the year.
10. According to the information and explanations given to us, no fraud by, or by its officers or employees on the Company has been noticed or reported during the year.
11. The company is not restricted by the provisions of Section 197 in the payment of managerial remuneration to its directors. Accordingly, reporting under clause (xi) of paragraph 3 of the Order is not applicable.
12. The Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the details have been disclosed in the Ind AS Financial Statements, as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the reporting period. Accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with any directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable.




**K. P. RAO & CO.**  
**CHARTERED ACCOUNTANTS**

Continuation Sheet.....

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For K.P.Rao & Co.,  
Chartered Accountants  
Firm's Registration No. 003135S

  
K. Viswanath  
Partner  
Membership No. 022182



Place: Bangalore  
Date: May 17, 2019

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
IND AS FINANCIAL STATEMENTS OF PACHHWARA COAL MINING PRIVATE  
LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pachhwara Coal Mining Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.





Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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.

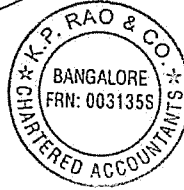


**Opinion**

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 March 31, 2019, 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".

For K.P.Rao & Co.,  
Chartered Accountants  
Firm's Registration No. 003135S

  
K. Viswanath  
Partner  
Membership No. 022812



Place: Bengaluru  
Date: May 17, 2019

**PACHHWARA COAL MINING PRIVATE LIMITED**  
**Hyderabad**

(CIN NO:U10200TG2016PTC110024)

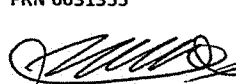
**BALANCE SHEET AS AT MARCH 31, 2019**

( ₹ in Lakhs)

	NOTE	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, Plant and Equipment	3	0.46		0.72	
			0.46		0.72
<b>Current Assets</b>					
Financial Assets					
Trade Receivables	4	194.34		-	
Cash and Cash Equivalents	5	20.99		2.44	
Other Financial Assets	6	-		0.75	
Other Current Assets	7	75.63		-	
<b>Total Current Assets</b>			290.96		3.19
<b>Total Assets</b>			<b>291.42</b>		<b>3.91</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity Share Capital	8	20.00		20.00	
Other Equity	9	(109.32)		(94.94)	
<b>Total Equity</b>			<b>(89.32)</b>		<b>(74.94)</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Financial Liabilities					
Trade Payables	10	165.03		0.99	
Other Current Liabilities	11	215.71		77.87	
<b>Total Current Liabilities</b>			<b>380.74</b>		<b>78.85</b>
<b>Total Equity and Liabilities</b>			<b>291.42</b>		<b>3.91</b>
Company information and Significant accounting policies	1 & 2				

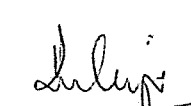
accompanying notes forming part of financial statements 3 to 20

As per our Report of even date attached  
for K.P. RAO & CO  
Chartered Accountants  
FRN 0031355

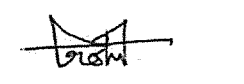
  
K. Viswanath  
Partner  
Membership No. 022812

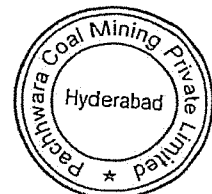
Bangalore, Dt: 17 th May, 2019

For PACHHWARA COAL MINING PRIVATE LIMITED  
(CIN NO:U10200TG2016PTC110024)

  
R.S. RAJU  
Director  
DIN NO:00037918

Hyderabad, Dt: 17 th May, 2019

  
ROHIT REDDY BATHINA  
Director  
DIN NO:06978828



**PACHHWARA COAL MINING PRIVATE LIMITED**  
**Hyderabad**

(CIN NO:U10200TG2016PTC110024)

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019**

(₹ in Lakhs)

	NOTE	PERIOD ENDED MARCH 31, 2019		PERIOD ENDED MARCH 31, 2018	
<b>REVENUE</b>					
Revenue from Operations	12	1,079.67		-	
<b>Total Revenue</b>			1,079.67		-
<b>EXPENSES</b>					
Sub Contract Expenses	13	999.67		-	
Employee Benefits Expense	14	40.97		62.39	
Financial Costs	15	0.01		0.10	
Depreciation & Amortization	3	0.26		0.16	
Other Expenses	16	53.14		32.29	
<b>Total Expenses</b>			1,094.05		94.94
<b>Profit/(Loss) for the year before tax</b>			(14.38)		(94.94)
<b>Tax Expense</b>			-		-
<b>Profit/(Loss) for the Year</b>			(14.38)		(94.94)
<b>Other Comprehensive Income</b>			-		-
<b>Total Comprehensive Income</b>			(14.38)		(94.94)
Earning per Share	19		(54.66)		(47.47)
Company information and Significant accounting policies	1 & 2				

accompanying notes forming part of financial statements 3 to 20

As per our Report of even date attached

for K.P. RAO & CO

Chartered Accountants

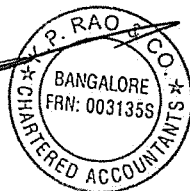
FRN 003135S

K.Viswanath

Partner

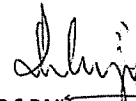
Membership No. 022812

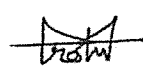
Bangalore, Dt: 17 th May, 2019



For PACHHWARA COAL MINING PRIVATE LIMITED

(CIN NO:U10200TG2016PTC110024)

  
R.S. RAJU  
Director  
DIN NO:00037918

  
ROHIT REDDY BATHINA  
Director  
DIN NO:06978828

Hyderabad, Dt: 17 th May, 2019



PACHHWARA COAL MINING PRIVATE LIMITED  
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2019

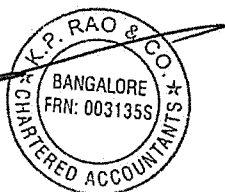
(₹ in Lakhs)

	Period Ended March 31, 2019	Year Ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Net Profit/(Loss) before tax	(14.38)	(94.94)
Adjustments:		-
Depreciation	0.26	0.16
Operating profit / (loss) before working capital changes	(14.12)	(94.78)
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in Current assets		
Trade Receivables	(194.34)	
Other Current Assets	(74.89)	0.70
Adjustments for increase / (decrease) in Current liabilities:		
Trade Payables	164.74	
Other Current Liabilities	137.16	77.35
<b>Cash generated from operations</b>	<b>18.55</b>	<b>(16.73)</b>
Net income tax (paid) / refunds	-	-
<b>Net cash flow used in operating activities (A)</b>	<b>18.55</b>	<b>(16.73)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets	-	(0.88)
<b>Net cash flow from investing activities (B)</b>	<b>-</b>	<b>(0.88)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share Capital	-	-
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase in Cash and cash equivalents (A + B + C)</b>	<b>18.55</b>	<b>(17.60)</b>
Cash and cash equivalents at the beginning of the period	2.44	20.04
<b>Cash and cash equivalents at the end of the period</b>	<b>20.99</b>	<b>2.44</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.		

As per our Report of even date attached  
for K.P. RAO & CO  
Chartered Accountants  
FRN 0031355

K. Viswanath  
Partner  
Membership No. 022812

Bangalore, Dt: 17 th May, 2019



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: 06978828

Hyderabad, Dt: 17 th May, 2019



**PACHHWARA COAL MINING PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019**

Equity Share Capital	(₹ in Lakhs)
Description	Total
Opening Balance as on 01.04.2017	20.00
Add : Shares issued during the year 2017-18	-
Balance as at March 31, 2018	20.00
Add : Shares issued during the year 2018-19	-
Balance as at March 31, 2019	20.00

Other Equity		
Description	Retained Earnings	Total
Opening Balance as on 01.04.2017	-	-
Total comprehensive income for the year	(94.94)	(94.94)
Dividends	-	-
Balance at the end of the March 31, 2018	(94.94)	(94.94)
Total comprehensive income for the year	(14.38)	(14.38)
Dividends	-	-
Balance at the end of the March 31, 2019	(109.32)	(109.32)

Accompanying notes form an integral part of the financial statements

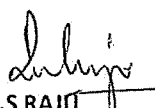
In terms of our report attached  
for K.P. RAO & CO  
Chartered Accountants  
FRN 003135S


K Viswanath  
Partner  
Membership No. 022812



Bangalore, Dt: 17 th May, 2019

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

Hyderabad, Dt: 17 th May, 2019



## **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:**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable

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

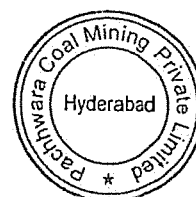
These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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.



**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.

Depreciation is provided on straight line method, in the manner stated in schedule II to the Companies Act 2013 and as per the useful lives stated in part C to the said Schedule.

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.





## 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.

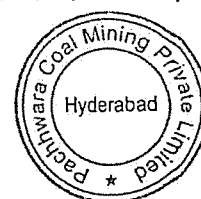
The Company, on initial application of IND AS 109 *Financial Instruments*, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

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.



## 2.7 Revenue Recognition

The Company applied Ind AS 115 for the first time. Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

A single performance obligation is identified for the company owing to the high degree of integration and customisation of the services to provide a combined output which is transferred to the customer over time and not at a specific point in time, since the customer simultaneously receives and consumes the benefits provided by the entity's performance as the work is performed.

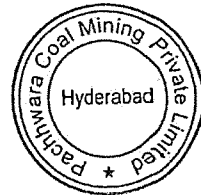
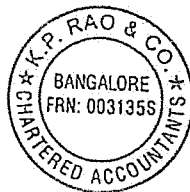
## 2.8 Earnings per Share:

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.

## 2.9 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.

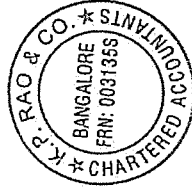
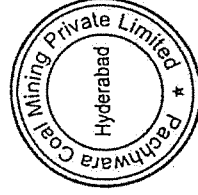
Contingent Liabilities and Contingent Assets are not recognized in the financial statements.



PACHHWARA COAL MINING PRIVATE LIMITED  
Notes forming part of Financial statements for the period ended March 31,2019  
3. Property, P & M and Office Equipment

(in ₹)

3. Property, P & M and Office Equipment											
S.No	Tangible Assets	Gross Block at cost				Depreciation				Net Block	
		As at April 01, 2018	Additions	Disposals / Discarded	As at December 31, 2018	up to March 31, 2018	Depreciation for the year	Disposals / Discarded	up to March 31, 2019	As at March 31, 2019	As at March 31, 2018
1	Office Equipment	87,800.00	-		87,800.00	16,282.25	25,889.10		42,171.35	45,628.65	71,517.75
	Total	87,800.00	-	-	87,800.00	16,282.25	25,889.10	-	42,171.35	45,628.65	71,517.75

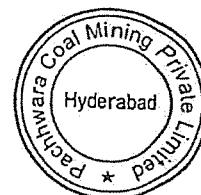


PACHHWARA COAL MINING PRIVATE LIMITED

Notes forming part of Financial statements

(₹ in Lakhs)

	As on March 31, 2019	As on March 31, 2018
4 Trade Receivables	194.34	0
<b>Total</b>	<b>194.34</b>	<b>-</b>
5 Cash and Cash Equivalents		
Balances with Scheduled Banks		
In Current Accounts	20.99	2.44
<b>Total</b>	<b>20.99</b>	<b>2.44</b>
6 Other Financial Assets		
Advances Recoverable in Cash or in kind of for value to be received	-	0.75
<b>Total</b>	<b>-</b>	<b>0.75</b>
7 Other Current Assets		
Goods and Service Tax credit receivable	0.03	-
TDS (Dept)	21.59	-
Contract Assets	54.02	-
<b>Total</b>	<b>75.63</b>	<b>-</b>



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

		(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
		Number of Shares	Amount
		Number of Shares	Amount
<b>8 Share Capital</b>			
Authorised			
Equity Shares of ₹ 10/- each		2,00,000	20.00
Issued, Subscribed and Fully Paid up			
Equity Shares of ₹ 10/- each		2,00,000	20.00
<b>Total</b>		<b>2,00,000</b>	<b>20.00</b>

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

		As at March 31, 2019	As at March 31, 2018
		Number of Shares	Amount
		Number of Shares	Amount
Equity Shares of ₹ 10/- each fully paid up			
Balance at the beginning of the period		2,00,000	20.00
Add: Allotment made during the period			
Balance at the end of the period		<b>2,00,000</b>	<b>20.00</b>

**8.2 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.

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

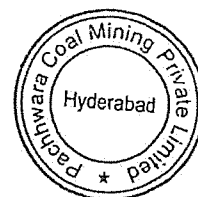
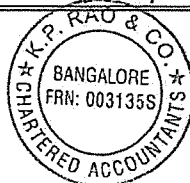
		As at March 31, 2019	As at March 31, 2018
		Number of Shares	Amount
		Number of Shares	Amount
Equity Shares of ₹ 10/- each fully paid up			
NCC Limited		1,02,000	10.20
BGR Mining & Infra Private Limited		98,000	9.80

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

		As at March 31, 2019	As at March 31, 2018
		Number of Shares	%
		Number of Shares	%
Equity Shares of ₹ 10/- each fully paid up			
NCC Limited		1,02,000	51%
BGR Mining & Infra Private Limited		98,000	49%

**9 Other Equity**

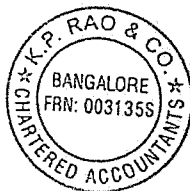
		(₹ in Lakhs)	
		As on March 31, 2019	As on March 31, 2018
Opening balance		(94.94)	-
Profit for the year		(14.38)	(94.94)
<b>Total</b>		<b>(109.32)</b>	<b>(94.94)</b>



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

(₹ in Lakhs)

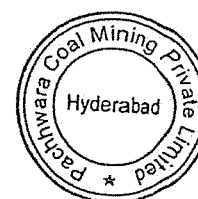
	As on March 31, 2019	As on March 31, 2018
<b>10 Trade Payables</b>		
Trade Payables-Others	0.28	0.99
Trade Payables-Sub Contractors	164.74	-
<b>Total</b>	<b>165.03</b>	<b>0.99</b>
<b>11 Other Current Liabilities</b>		
Advances from Holding Company	7.38	7.36
Advances from Consortium Member	147.25	47.13
Withheld Amount	1.59	
Outstanding liabilities	24.09	16.82
TDS & Other Statutory Payables	35.41	6.55
<b>Total</b>	<b>215.71</b>	<b>77.87</b>



PACHHWARA COAL MINING PRIVATE LIMITED  
Notes to the financial statements

( ₹ in Lakhs)

		Period Ended March 31, 2019	Year Ended March 31, 2018
12	Revenue from Operations	1,079.67	
13	Sub Contract Expenses	999.67	
14	Employee Benefits Expense		
	Salaries and Other Benefits	38.06	57.38
	L.T.A	1.04	1.79
	BONUS	1.87	3.22
	<b>Total</b>	<b>40.97</b>	<b>62.39</b>
15	Finance Costs		
	Other Borrowing Costs		
	Commission on - BGs & Other Bank Charges	0.01	0.02
	Interest to others	-	0.08
		<b>0.01</b>	<b>0.10</b>
	<b>Total</b>	<b>0.01</b>	<b>0.10</b>
16	Other Expenses		
	Rent	0.30	2.74
	Travelling and Conveyance	1.66	10.91
	Office Maintenance	0.08	0.56
	Consultation Charges	40.00	
	Postage, Telegrams and Telephones	0.11	0.15
	Printing and Stationery	0.02	0.03
	Legal and Professional Charges	10.80	16.65
	Filling Charges	0.08	1.04
	Auditors' Remuneration (Refer note 16.1)	0.10	0.20
	<b>Total</b>	<b>53.14</b>	<b>32.29</b>
16.1	Auditors' Remuneration (Excluding Taxes thereon)		
	Statutory Audit fee	0.10	0.20
	Tax Audit fee		



## Notes forming part of Financial statements

**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, 2019	
		Carrying amount	Fair value
<b>Financial assets</b>			
Financial assets at amortised cost:			
- Cash and cash equivalents	Level 2	20.99	20.99
- Trade Receivables	Level 2	194.34	194.34
	Fair value hierarchy	As at March 31, 2019	
		Carrying amount	Fair value
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
- Other financial liabilities	Level 2	164.74	164.74
- Trade Payables	Level 2	165.03	165.03

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





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

**18 Related Party Transactions**

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

Related Party	Relationship
NCC Limited	Holding Company
BGR Mining & Infra Private Ltd	Enterprise having Significant Influence
R.S.RAJU	Key Managerial Personnel
ROHIT REDDY BATHINA	Key Managerial Personnel
	Period ended March 31, 2019
	Year ended March 31, 2018

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

<b>NCC Limited</b>		
Incorporation & Other Expenses	0.02	7.36
Rent		0.66
Rent - Advance	0.09	(0.75)
Consultancy charges	20.00	-
<b>Total</b>	<b>20.11</b>	<b>7.27</b>
<b>BGR Mining &amp; Infra Private Limited</b>		
Advance Amount	100.12	47.13
Consultancy charges	20.00	-
<b>Total</b>	<b>120.12</b>	<b>47.13</b>

**18.3** Credit Balances as at end of the year March 31, 2019

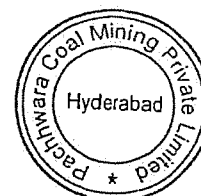
<b>NCC Limited</b>		
Trade payables	1.60	-
Advance Amount	7.38	7.36
<b>Total</b>	<b>8.98</b>	<b>7.36</b>
<b>BGR Mining &amp; Infra Private Limited</b>		
Trade payables	163.14	-
Advance	147.25	47.13
<b>Total</b>	<b>310.39</b>	<b>47.13</b>

**18.4** Debit Balances as at end of the Period March 31, 2019

<b>NCC Limited</b>		
Rent Advances	-	0.75
<b>Total</b>	<b>-</b>	<b>0.75</b>

**19 Earning Per Share**

	Period ended March 31, 2019	Year ended March 31, 2018
Net Loss after tax available for equity shareholders	(₹ in lakhs) (109.32)	(₹ in lakhs) (94.94)
Weighted average number of equity shares for basic and diluted EPS	(in Nos.) 2,00,000	(in Nos.) 2,00,000
Face Value per share	(in ₹) 10.00	(in ₹) 10.00
Basic and Diluted EPS	(in ₹) (54.66)	(in ₹) (47.47)



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

**20 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, 2019
Equity	20.00
Cash and cash equivalents	20.99
Net debt	20.99
Total capital (equity + net debt)	40.99

Categories of financial instruments (₹ in Lakhs)

	As at March 31, 2019
Financial assets	
Measured at amortised cost	
Cash and bank balances	20.99
Trade Receivables	194.34
Financial liabilities	
Measured at amortised cost	54.17
Trade Payables	164.74

**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.

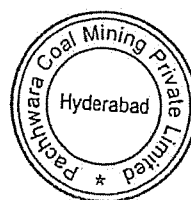
**Credit risk management**

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, 2019:

(₹ in Lakhs)					
	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Other financial liabilities	165.03	165.03	-	-	165.03
Total	165.03	165.03	-	-	165.03

The table below provides details of financial assets as at March 31, 2019:

(₹ in Lakhs)	
	Carrying amount
Other financial assets	20.99
Total	20.99

For K.P. RAO & CO.  
Chartered Accountants  
Firm Regn. No. 003135S

K Viswanath  
Partner  
Membership No.022812

Bangalore, Dt: 17 th May, 2019



For PACHHWARA COAL MINING PRIVATE LIMITED  
CIN NO:U10200TG2016PTC110024

R.S.RAJU  
Director  
DIN NO:00037918

Hyderabad, Dt: 17 th May, 2019

ROHIT REDDY BATHINA  
Director  
DIN NO:06978828

