

**PATRATU VIDYUT UTPADAN NIGAM LTD**  
A subsidiary of NTPC Ltd in Joint Venture with JBVNL



**Financial Statement**  
**FY 2018-19**



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

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

₹ Lakh

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	2	81,916.53	81,632.32
Capital work-in-progress	3	59,653.38	25,961.85
Intangible assets	4	11.67	9.81
Other non-current assets	5	40,589.18	45.29
<b>Total non-current assets</b>		<u>182,170.76</u>	<u>107,649.27</u>
<b>Current assets</b>			
Inventories	6	334.00	335.07
Financial assets			
Trade receivables	7	8,197.88	13,286.60
Cash and cash equivalent	8	44.49	407.04
Bank balances other than cash and cash equivalent	9	6,776.86	868.57
Other Financial Asset	10	17.76	-
Other current assets	11	16,104.78	18,551.53
<b>Total current assets</b>		<u>31,475.77</u>	<u>33,448.81</u>
<b>TOTAL ASSETS</b>		<u><u>213,646.53</u></u>	<u><u>141,098.08</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	31,638.38	12,449.19
Other equity	13	(142.52)	4,319.45
<b>Total equity</b>		<u>31,495.86</u>	<u>16,768.64</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	145,235.61	87,434.82
Trade Payable:	15		
Total Outstanding to MSME		-	-
Total Outstanding to Creditor other than MSME		3.66	-
Other Financial Liabilities	16	2068.79	5.24
<b>Total non-current liabilities</b>		<u>147,308.06</u>	<u>87,440.06</u>

*(Signature)*

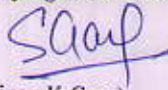


**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

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

Particulars	Note No.	₹ Lakh	
		As at 31.03.2019	As at 31.03.2018
<b>Current liabilities</b>			
Financial liabilities			
Trade payables:			
Total Outstanding to MSME	17	5.12	2.47
Total Outstanding to Creditor other than MSME		6,801.71	11,852.48
Other financial liabilities	18	9,456.98	7,036.60
Other current liabilities	19	18,578.80	17,997.83
<b>Total current liabilities</b>		<b>34,842.61</b>	<b>36,889.38</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>213,646.53</b>	<b>141,098.08</b>
Significant accounting policies	1		

The accompanying notes 1 to 44 form an integral part of these financial statements.

  
(Sipan K Garg)  
Company Secretary

  
(A K Acharya)  
Chief Financial Officer

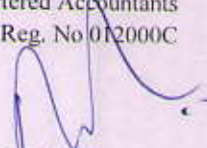
For and on behalf of the Board of Directors

  
(S Chakrabarti)  
Chief Executive Officer

  
(T R Datta)  
Director

  
(Sangeeta Bhatia)  
Director

This is the Balance Sheet referred to in our report of even date  
For Rajesh Srivastava & Co.  
Chartered Accountants  
Firm Reg. No 012000C

  
(Rajesh Srivastava)  
Partner  
M No.. 074792

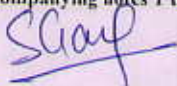
Place : Ranchi  
Dated : 10/05/2019



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019**

Particulars	Note No.	₹ Lakh	
		For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Revenue</b>			
Revenue from operations	20	-	(53.34)
Other income	21	-	0.19
<b>Total revenue</b>		-	(53.15)
<b>Expenses</b>			
Fuel		-	212.62
Employee benefits expense	22	-	200.42
Finance costs	23	-	(383.26)
Depreciation and amortization expense	24	-	-
Other expenses	25	-	-
<b>Total expenses</b>		<b>137.65</b>	<b>(78.73)</b>
		<b>137.65</b>	<b>(48.95)</b>
<b>Profit before tax</b>		<b>(137.65)</b>	<b>(4.20)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	(6.75)
<b>Total tax expense</b>		-	<b>(6.75)</b>
<b>Profit for the year</b>		<b>(137.65)</b>	<b>2.55</b>
<b>Other comprehensive income</b>			
		-	-
<b>Total comprehensive income for the year</b>		<b>(137.65)</b>	<b>2.55</b>
Significant accounting policies	1		
Expenditure during construction period (net)	26		
<b>Earnings per equity share (Par value ₹ 10/- each)</b>	36		
Basic and diluted (₹)		<b>(0.08)</b>	0.00

The accompanying notes 1 to 44 form an integral part of these financial statements.

  
 (Sipan K Garg)  
 Company Secretary

  
 (A K Acharya)  
 Chief Financial Officer

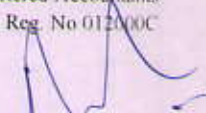
For and on behalf of the Board of Directors

  
 (S Chakrabarti)  
 Chief Executive Officer

  
 (T R Datta)  
 Director

  
 (Sangeeta Bhatia)  
 Director

This is the Statement of Profit & Loss referred to in our report of even date  
 For Rajesh Srivastava & Co.  
 Chartered Accountants  
 Firm Reg. No 012000C

  
 (Rajesh Srivastava)  
 Partner

M No. 074792

Place Ranchi  
 Dated 10/05/2019



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2019**

	₹ Lakh	
	For the year ended March 31st, 2019	For the year ended March 31st, 2018
<b>A Cash flows from operating activities</b>		
Profit before tax	(137.65)	(4.20)
Adjustments for:		
Depreciation and amortization	177.11	112.14
Interest income on fixed deposits	(98.61)	(39.35)
Interest expense	10907.82	2491.37
<b>Operating Profit before working capital changes</b>	<b>10,848.67</b>	<b>2,559.96</b>
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	(5044.46)	882.52
Other Non- current financial liabilities	2063.55	5.24
Other current financial liabilities	2420.38	(5309.19)
Other current liabilities	580.97	(598.73)
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Other non-current assets	(40543.89)	32.87
Inventories	1.07	2919.70
Trade receivables	5088.72	1954.74
Other current assets	(3479.30)	(853.13)
<b>Net cash generated from operations</b>	<b>(28,064.29)</b>	<b>1,593.98</b>
Less: Taxes paid, net of refund	-	-
<b>Net cash from operating activities (A)</b>	<b>(28,064.29)</b>	<b>1,593.98</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(454.14)	(294.00)
Purchase of Intangible assets	(9.04)	(11.97)
Capital work in progress	(33,691.53)	(12,937.93)
Interest income on fixed deposits	98.61	39.35
<b>Net cash from investing activities (B)</b>	<b>(34,056.10)</b>	<b>(13,204.55)</b>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2019**

	₹ Lakh	
	For the year ended March 31st, 2019	For the year ended March 31st, 2018
<b>C Cash flows from financing activities</b>		
Equity Capital Received	11,000.00	7,842.85
Borrowing	54,000.00	4,337.18
Interest paid	(3242.16)	(475.56)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>61,757.84</b>	<b>11,704.47</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(362.55)</b>	93.90
<b>Cash and cash equivalents at the beginning of the year</b>	<b>407.04</b>	313.14
<b>Cash and cash equivalents at the end of the year</b>	<b>44.49</b>	407.04

**Notes:**

- The cash flow has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.
- Amounts in brackets represent a cash outflow or a loss.
- Components of cash and cash equivalents included under cash and bank balances (note 8) are as under:

**Cash and cash equivalents (Note 8)**

Balances with banks		
- In current account	44.04	266.66
- Cheques & Draft on hand	0.45	4.04
- Deposits with original maturity of up to 3 months	-	136.34
<b>Total</b>	<b>44.49</b>	<b>407.04</b>

d) Refer note no. 27 and 29, the Company accounted 'Assets held for Disposal' which has been transferred by GoJ, of which consideration was payable on realisation, net of dismantling cost etc. and acquired land from GOJ of which consideration accounted as Deemed Loan as per Transfer Scheme. accordingly these transaction were considered as Non Cash Transaction. Further, to the extent deemed loan utilised for raising share application money and allotment of Equity has also been considered as Non Cash Transaction.

The accompanying notes 1 to 44 form an integral part of these financial statements.

  
(Sipan K Garg)  
Company Secretary

  
(A K Acharya)  
Chief Finance Officer

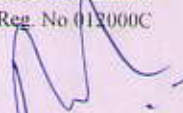
For and on behalf of the Board of Directors

  
(S Chakrabarti)  
Chief Executive Officer

  
(T R Datta)  
Director

  
(Sangeeta Bhatta)  
Director

This is the Cash Flow Statement referred to in our report of even date  
For Rajesh Srivastava & Co.  
Chartered Accountants  
Firm Reg. No 013000C

  
(Rajesh Srivastava)  
Partner  
M No.074792

Place : Ranchi  
Dated : 10/05/2019



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
STATEMENT OF CHANGES IN EQUITY

**(A) Equity share capital**

**For the year ended 31st March 2019**

	₹ Lakh
Balance as at 1 April 2018	12,449.19
Changes in equity share capital during the year	19,189.19
<b>Balance as at 31st March 2019</b>	<b>31,638.38</b>

For the year ended 31 March 2018

	₹ Lakh
Balance as at 1 April 2017	10.00
Changes in equity share capital during the year	12,439.19
Balance as at 31 March 2018	<b>12,449.19</b>

**(B) Other equity**

**For the year ended 31 March 2019**

	Share Application Money	Reserve & Surplus		Total
		Other comprehensive	Retained Earning	
Balance as at 1 April 2018	4,324.32	-	(4.87)	4,319.45
<b>Addition during the year</b>				
Profit during the year			(137.65)	(137.65)
Other comprehensive income		-		-
<b>Total</b>	4,324.32	-	(142.52)	4,181.80
Share Application Money received	14,864.87	-	-	14,864.87
Less: Utilised for Allotment of Equity Share	19,189.19	-	-	19,189.19
<b>Balance as at 31 March 2019</b>	-	-	(142.52)	(142.52)



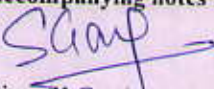
## PATRATU VIDYUT UTPADAN NIGAM LIMITED

For the year ended 31 March 2018

₹ Lakh


	Share Application Money	Reserve & Surplus		Total
		Other comprehensive	Retained Earning	
Balance as at 1 April 2017	4,662.16	-	(7.42)	4,654.74
Addition during the year				
Profit during the year			2.55	2.55
Other comprehensive income		-		-
Total	4,662.16	-	(4.87)	4,657.29
Share Application Money received	12,101.35	-	-	12,101.35
Less: Utilised for Allotment of Equity Share	12,439.19	-	-	12,439.19
Balance as at 31 March 2018	4,324.32	-	(4.87)	4,319.45

The accompanying notes 1 to 44 form an integral part of these financial statements.

  
(Sipan K Garg)  
Company Secretary

  
(A K Acharya)  
Chief Finance Officer

For and on behalf of the Board of Directors

  
(S Chakrabarti)  
Chief Executive Officer

  
(T K Datta)  
Director

  
(Sangeeta Bhatia)  
Director

This is the Statement of Changes in Equity referred to in our report of even date  
For Rajesh Srivastava & Co.  
Chartered Accountants  
Firm Reg. No. 012000C

  
( Rajesh Srivastava )  
Partner  
M No.074792

Place : Ranchi  
Dated : 10/05/2019





## Note 1: Significant Accounting Policies

### Company Information and Significant Accounting Policies

#### Reporting entity

Patratu Vidyut Utpadan Nigam Limited is a Company incorporated in India on 15th Oct., 2015 (CIN:U40300DL2015GOI286533). The Company is a public limited company limited by shares and is a subsidiary of the NTPC Limited. The Company's registered office is NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi - 110003. The Government of Jharkhand (GoJ) desirous of capacity expansion in the State of Jharkhand, accordingly, a Joint Venture agreement with the NTPC Limited and Jharkhand Bijli Vitran Nigam Limited was executed where by NTPC Limited and JBVNL are holding 74% and 26% equity shares issued by the Company. The Company is primarily engaged in setting up a new power project of 3 x 800 MW capacity at Patratu, Dist. Ramgarh for generation of the electricity and coal mining at Banhardih Dist. Latehar.

#### A Basis of preparation

##### 1. Statement of Compliance

These standalone financial statements are prepared on going concern basis following accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on 10<sup>th</sup> May, 2019.

##### 2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments)

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### 3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakh (upto two decimals), except as stated otherwise.

##### 4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or



- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

## **B Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS i.e. 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

### **1. Property, plant and equipment**

#### **1.1. Initial recognition and measurement**

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

#### **1.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise



and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

### 1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

### 1.4. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

### 1.5. Depreciation/amortization

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business and on the assets of Corporate & other offices is charged on straight-line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

Depreciation on the assets of the coal mining and consultancy business is charged on straight-line method following the useful life specified in Schedule II of the Companies Act, 2013 except for the assets referred in policy no. B.5.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

a) Kutch roads	2 years
b) Enabling works	
- residential buildings	15 years
- internal electrification of residential buildings	10 years
- non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	6 years
h) Energy saving electrical appliances and fittings	2-7 years

Assets costing up to Rs. 5000/- are fully depreciated in the year of acquisition.



Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Leasehold land and buildings relating to generation of electricity business are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Leasehold land and buildings relating to corporate and other offices are fully amortized over lease period or twenty-five years whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

Land acquired for mining business under Coal Bearing Areas (Acquisition & Development) Act, 1957 is amortized on the basis of balance useful life of the project. Other leasehold land acquired for mining business is amortized over the lease period or balance life of the project whichever is less.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long-term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

The residual values, useful lives and method of depreciation of assets other than the assets of generation of electricity business are reviewed at each financial year end and adjusted prospectively, wherever required.

## **2. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

## **3. Intangible assets and intangible assets under development**

### **3.1. Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized



at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

### **3.2. Subsequent costs:**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

### **3.3. De-recognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains & losses on de-recognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any, with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

### **3.4. Amortization**

Cost of software recognized as intangible asset, is amortized on straight-line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, whichever is less.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end.

## **4. Exploration for and evaluation of mineral resources**

### **Coal mining exploration costs**

Exploration and evaluation costs comprise capitalized costs which are attributable to the search for coal, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter-alia the following:

- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining & examining the volume and grade of the resource; and
- surveying transportation and infrastructure requirements.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets under development) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

## **5. Development expenditure on coal mines**

Once proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to 'Development of coal mines' under Capital work-in-

progress. However, if proved reserves are not determined, the exploration and evaluation costs are derecognized.

The development expenditure capitalized is net of value of coal extracted during development phase.

Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Mines under development are capitalised on occurrence of earliest of the following milestones except when commercial readiness is stated in the project report:

- a) From the beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report; or
- b) From the beginning of the financial year in which the value of production is more than total expenses; or
- c) 2 years of touching of coal.

On being brought to revenue, the assets under capital work-in-progress are reclassified as a component of property, plant and equipment under 'Mining property'.

Gains and losses on de-recognition of tangible/intangible assets, as referred above, are determined by comparing the proceeds from disposal, if any, with the carrying amount of respective assets and are recognized in the statement of profit and loss.

#### **5.1 Stripping activity expense/adjustment**

Expenditure incurred on removal of mine waste materials (overburden) necessary to extract the coal reserves is referred to as stripping cost. The Company has to incur such expenses over the life of the mine as technically estimated.

Cost of stripping is charged on technically evaluated average stripping ratio at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of the balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as 'Stripping activity adjustment' under the head 'Non-current assets/Non-current provisions' as the case may be.

#### **5.2 Mines closure, site restoration and decommissioning obligations**

The Company's obligations for land reclamation and decommissioning of structure consist of spending at mines in accordance with the guidelines from Ministry of Coal, Government of India. The Company estimates its obligations for mine closure, site restoration and decommissioning based on the detailed calculation & technical assessment of the amount and timing of future cash spending for the required work and provided for as per approved mine closure plan. The estimate of expenses is escalated for inflation and then discounted at a discount rate that reflect current market assessment of the time value of money and risk, such that the amount of provision reflects the present value of expenditure required to settle the obligation. The Company records a corresponding asset under property, plant and equipment associated with the obligation.

The value of the obligation is progressively increased over time as the effect of discounting unwinds and the same is recognized as finance costs.

#### **5.3 Amortization**

On being brought to revenue, the mines closure, site restoration and decommissioning obligations are amortized over the balance life of the mine. Mining property is amortized from the year in which the mine is brought under revenue, in 20 years or life of mine whichever is less.



## 6. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction/exploration/development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

## 7. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

Steel scrap is valued at estimated realizable value.

## 8. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## 9. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.



When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

#### **10. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized upto 31 March 2016 are adjusted to the carrying cost of property, plant and equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency and translated using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

#### **11. Revenue**

Company's revenues arise from sale of energy and other income. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18 and Ind AS 11. The details of accounting policies as per Ind AS 18 and Ind AS 11 are disclosed separately if they are different from those under Ind AS 115.

##### **11.1. Revenue from sale of energy**

Company's revenues arise from sale of energy and other income. Revenue from sale of energy is mostly regulated and governed by the applicable CERC Tariff Regulations under Electricity Act, 2003. Presently revenue from sale of energy is recognized based on the rates & terms and conditions mutually agreed with the beneficiaries.





Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

In the comparative period, revenue from the sale of energy is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably. Revenue from sale of energy is accounted for based on tariff rates as mutually agreed.

#### **11.2. Other income**

Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Scrap other than steel scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

Dividend income is recognized in profit or loss only when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

#### **12. Employee benefits**

The employees of the company are on secondment from the holding company. Employee benefits, inter-alia include provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the holding company, the company is to make a fixed percentage contribution of the aggregate of basic pay & dearness allowance for the period of the service rendered in the company. Accordingly, these employee benefits are treated as defined contribution schemes.

The Cost of Employees on deputation from State Government and other Power Generating / Utilities organization for the period of the service rendered in the company are reimbursed and accounted as expenses which are inclusive of provident fund and other terminal benefits.

#### **13. Other expenses**

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to statement of profit and loss in the year incurred.

Expenditure on research is charged to revenue as and when incurred. Expenditure on development is charged to revenue as and when incurred unless it meets the recognition criteria for intangible asset as per Ind AS 38 - 'Intangible assets'.



Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to statement of profit and loss.

Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

#### **14. Income tax**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

#### **15. Leases**

##### **15.1 As Lessee**

###### **Accounting for operating lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

##### **15.2 As lessor**

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.



### **Accounting for operating leases**

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease.

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### **16. Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **17. Dividends**

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

### **18. Material prior period errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

### **19. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered



for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

## **20. Statement of cash flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of cash flows'.

## **21. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **21.1. Financial assets**

#### **Initial recognition and measurement**

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

#### **Subsequent measurement**

##### **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

##### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.



### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
- (b) Lease receivables under Ind AS 17.
- (c) Trade receivables under Ind AS 115.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

### **21.2. Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at amortized cost**

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

#### **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### **C Use of estimates and management judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well



as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

#### **1. Formulation of accounting policies**

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

#### **2. Useful life of property, plant and equipment and intangible assets**

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

#### **3. Recoverable amount of property, plant and equipment and intangible assets**

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

#### **4. Revenues**

The Company records revenue from sale of energy based on tariff rates approved by the CERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

#### **5. Leases not in legal form of lease**

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement needs the criteria under Appendix C to Ind AS 17.

#### **6. Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.



#### **7. Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, - 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

#### **8. Impairment test of non-financial assets**

The recoverable amount of investment in joint ventures companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

#### **9. Income taxes**

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 2 TO THE FS -NCA- PROPERTY PLANT & EQUIPMENTS**

As at 31 March 2019

Particulars	Gross block		Depreciation/amortisation and impairment		Net block				
	As at 01.04.2018	Additions	Deductions/ adjustments	As at 31.03.2019	Up to 01.04.2018	For the year adjustments	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>TANGIBLE ASSETS</b>									
Land (including developmental expenses)									
Freehold	80,904.32	-	-	80,904.32	-	-	-	80,904.32	80,904.32
Road, bridge, culverts & helpaids	20.96	-	-	20.96	0.63	3.77	4.40	16.56	20.33
Building									
Freehold									
Others	396.18	61.03	-	457.21	5.16	14.73	19.89	437.32	391.02
Temporary Erection	94.57	30.01	-	124.58	55.16	69.41	124.57	0.01	39.41
Plant and equipment									
Owned	6.14	16.52	-	22.66	4.53	0.67	5.20	17.46	1.61
Furniture and fixtures	133.25	85.04	-	218.29	21.02	19.82	40.84	177.45	112.23
Office equipment	61.02	196.55	-	257.57	9.70	24.80	34.50	223.07	51.32
EDP, WP machines and telecom equipment	138.39	28.13	-	166.52	33.19	32.80	65.99	100.53	105.20
Vehicles - Owned	1.74	1.74	-	3.48	0.15	0.15	0.30	1.59	1.59
Communication equipments	6.92	2.01	-	8.93	0.04	2.37	2.41	6.52	6.88
Hospital Equipment	8.12	8.12	-	16.24	0.58	0.58	1.16	7.54	7.54
Laboratory and workshop equipments	24.99	24.99	-	49.98	0.83	0.83	1.66	34.16	34.16
<b>Total</b>	<b>81,761.75</b>	<b>454.14</b>	<b>-</b>	<b>82,215.89</b>	<b>129.43</b>	<b>169.93</b>	<b>299.36</b>	<b>81,916.53</b>	<b>81,632.32</b>

Depreciation/amortisation of tangible assets for the year is allocated as given below:

	2018-19	2017-18
Charged to statement of profit and loss	-	-
Transferred to expenditure during construction period (net) -	169.93	107.00
Note 2b		
<b>Total</b>	<b>169.93</b>	<b>107.00</b>

**NOTE NO. 2 TO THE FS -NCA- PROPERTY PLANT & EQUIPMENTS**

As at 31 March 2018

Particulars	Gross block		Depreciation/amortisation and impairment		Net block				
	As at 01.04.2017	Additions	Deductions/ adjustments	As at 31.03.2018	Up to 01.04.2017	For the year adjustments	Up to 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b>TANGIBLE ASSETS</b>									
Land (including developmental expenses)									
Freehold	-	80,904.32	-	80,904.32	-	-	-	80,904.32	-
Road, bridge, culverts & helpaids	-	20.96	-	20.96	-	0.63	0.63	20.33	-
Building									
Freehold									
Others	3.08	393.10	-	396.18	0.23	4.93	5.16	391.02	2.85
Temporary Erection	-	94.57	-	94.57	-	55.16	55.16	39.41	-
Plant and equipment									
Owned	6.14	-	-	6.14	4.47	0.06	4.53	1.61	1.67
Furniture and fixtures	43.26	89.99	-	133.25	7.36	13.66	21.02	112.23	35.90
Office equipment	13.00	47.42	-	60.42	1.50	8.20	9.70	51.32	12.10
EDP, WP machines and telecom equipment	107.40	27.87	(3.12)	132.15	8.87	24.32	33.19	105.20	98.53
Communication equipments	-	6.92	-	6.92	-	0.04	0.04	6.88	-
<b>Total</b>	<b>173.48</b>	<b>81,585.15</b>	<b>(3.12)</b>	<b>81,761.75</b>	<b>22.43</b>	<b>107.00</b>	<b>129.43</b>	<b>81,632.32</b>	<b>151.05</b>

Depreciation/amortisation of tangible assets for the year is allocated as given below:

	2017-18	2016-17
Charged to statement of profit and loss	-	22.43
Transferred to expenditure during construction period (net) -	107.00	-
Note 2b		
<b>Total</b>	<b>107.00</b>	<b>22.43</b>





**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

NOTE NO. 3 TO THE FS-NCA- Capital Work in Progress

Particulars	As at		Additions	Deductions/ adjustments	Capitalised	₹ Lakh	
	01/04/2018	31/03/2019				As at 01/04/2018	As at 31/03/2019
<b>Capital Work in Progress</b>							
Development of land	39.01	1,952.17	1,915.16	-	-	1,952.17	
Road/Bridge Culverts & Helipads	6.03	136.11	130.08	-	-	136.11	
Buildings	-	735.08	-	-	-	735.08	
Main Plant	-	541.67	541.67	-	35.55	506.12	
Other	-	633.30	633.30	-	30.01	603.29	
Temporary Erection	259.79	3,472.14	156.98	-	-	3,472.14	
Railway siding	-	3,555.76	3,555.76	83.62	-	3,472.14	
Plant & Equipment	-	32.38	-	8.67	22.24	1.47	
Furniture and fixtures	-	48.35	-	-	46.92	1.43	
Office equipment	-	10.54	-	7.04	-	3.50	
EDP/MP machines & satcom equipment	-	18.84	18.84	-	-	-	
Electrical Installation	-	20.11	13.39	-	0.68	6.04	
Communication equipment	3.23	-	-	-	3.23	-	
Laboratory and workshop equipments	8,540.47	218.00	218.00	-	-	8,758.47	
Development of coal mines	7,719.10	2,864.52	2,864.52	-	-	10,583.62	
Survey, Investigation, Consultancy & Supervision Charges	9,394.22	18,974.27	18,974.27	-	-	28,368.49	
Expenditure during construction period (net)*		4,108.68					
Construction Store							
Others: MIT							
<b>Total</b>	<b>25,961.85</b>	<b>59,653.38</b>	<b>33,961.72</b>	<b>131.56</b>	<b>138.63</b>	<b>59,653.38</b>	

\*Brought from expenditure during construction period (net) - Note 26

EDC Rs 18852.85 Lakhs for FY 2018-19 includes Interest During Construction Rs 10907.82 Lakhs

\*Note: Refer Note 43(b) for disclosure of contractual commitment for the acquisition of Property, Plant & Equipment

NOTE NO. 3 TO THE FS-NCA- Capital Work in Progress

Particulars	As at		Additions	Deductions/ adjustments	Capitalised	₹ Lakh	
	01/04/2017	31/03/2018				As at 01/04/2017	As at 31/03/2018
<b>Capital Work in Progress</b>							
Development of land	-	39.01	39.01	-	-	39.01	
Road/Bridge Culverts & Helipads	-	6.03	26.99	-	20.96	6.03	
Buildings	18.97	-	-	18.97	-	-	
Other	-	94.57	94.57	-	94.57	-	
Temporary Erection	200.40	259.79	59.39	-	-	259.79	
Railway siding	6.16	-	-	-	6.16	-	
Office equipment	9.12	-	-	-	9.12	-	
EDP/MP machines & satcom equipments	-	3.23	3.23	-	-	3.23	
Laboratory and workshop equipments	7,388.16	1,152.31	1,152.31	-	-	8,540.47	
Development of coal mines	3,815.00	3,904.10	3,904.10	-	-	7,719.10	
Survey, Investigation, Consultancy & Supervision Charges	1,586.11	8,041.20	8,041.20	233.09	-	9,394.22	
Expenditure during construction period (net)*	13,023.92	25,961.85	13,320.80	252.06	130.81	25,961.85	
<b>Total</b>	<b>13,023.92</b>	<b>25,961.85</b>	<b>13,320.80</b>	<b>252.06</b>	<b>130.81</b>	<b>25,961.85</b>	

\*Brought from expenditure during construction period (net) - Note 26

EDC Rs 8041.20 Lakhs for FY 2017-18 includes Interest During Construction Rs 2874.63 Lakhs

\*Note: Refer Note 43(b) for disclosure of contractual commitment for the acquisition of Property, Plant & Equipment



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 4 TO THE FS -NCA - INTANGIBLE ASSETS**  
As at 31 March 2019

Particulars	Gross block		As at 31.03.2019	Amortisation For Deductions/ the year adjustments	Up to 01.04.2018	Up to 31.03.2019	Net block	
	As at 01.04.2018	Deductions/ adjustments					As at 31.03.2019	As at 31.03.2018
Software	16.05	9.04	25.09	7.18	6.24	13.42	11.67	9.81
<b>Total</b>	<b>16.05</b>	<b>9.04</b>	<b>25.09</b>	<b>7.18</b>	<b>6.24</b>	<b>13.42</b>	<b>11.67</b>	<b>9.81</b>

**Depreciation/amortisation of intangible assets for the year is allocated as given below:**

	2018-19	2017-18
Charged to statement of profit and loss	-	-
Transferred to expenditure during construction period (net) - Note 26	7.18	5.14
<b>Total</b>	<b>7.18</b>	<b>5.14</b>

**NOTE NO. 4 TO THE FS -NCA - INTANGIBLE ASSETS**

As at 31 March 2018

Particulars	Gross block		As at 31.03.2018	Amortisation For Deductions/ the year adjustments	Up to 01.04.2017	Up to 31.03.2018	Net block	
	As at 01.04.2017	Deductions/ adjustments					As at 31.03.2018	As at 31.03.2017
Software	4.08	11.97	16.05	5.14	1.10	6.24	9.81	2.98
<b>Total</b>	<b>4.08</b>	<b>11.97</b>	<b>16.05</b>	<b>5.14</b>	<b>1.10</b>	<b>6.24</b>	<b>9.81</b>	<b>2.98</b>

**Depreciation/amortisation of intangible assets for the year is allocated as given below:**

	2017-18	2016-17
Charged to statement of profit and loss	-	1.10
Transferred to expenditure during construction period (net) - Note 26	5.14	-
<b>Total</b>	<b>5.14</b>	<b>1.10</b>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 5 TO THE FS -NCA- OTHER NON-CURRENT ASSETS**

	₹ Lakh	
Particulars	As at 31.03.2019	As at 31.03.2018
<b>Capital advances</b>		
Unsecured		
Covered by Bank Guarantee	37,176.92	-
Others	3391.87	6.62
Advances other than capital advances	-	34.69
Advance tax & tax deducted at source	20.39	3.98
<b>Total</b>	<b>40,589.18</b>	<b>45.29</b>

a) Unsecured Capital Advance mainly includes initial advance and advance against material to BHEL



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### NOTE NO. 6 TO THE FS -CA- INVENTORIES

₹ Lakh

Particulars	As at	As at
	31.03.2019	31.03.2018
Coal	49.88	49.88
Fuel oil	103.97	108.99
Stores & spares	61.79	54.74
Chemicals & consumables	20.24	23.10
Steel scrap	-	-
Others	98.12	98.36
<b>Total</b>	<b>334.00</b>	<b>335.07</b>

- a) Inventory items, other than steel scrap have been valued as per accounting policy no. Note 1. Steel scrap has been valued at estimated realisable value.
- b) Inventories - Others includes steel, Pipes etc.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 7 TO THE FS-CA-TRADE RECEIVABLES**

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
Trade receivables		
Unsecured, considered good*	8,197.88	13,286.60
Credit Impaired	129.00	
<b>Sub Total</b>	<b>8,326.88</b>	13,286.60
Less: Provision for credit impaired trade receivable	129.00	
	<b>8,197.88</b>	13,286.60

\* Receivable from Jharkhand Bijli Vitran Nigam Limited is ₹ 7967.02 Lakhs after adjustment of ₹ 5220.24 Lakh (Refer foot note of Note no. 17) which was payable to JUUNL as per reconciliation with JUUNL & JBVNL towards sale of energy.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 8 TO THE FS -CA- CASH & CASH EQUIVALENTS**

<b>Particulars</b>	<b>₹ Lakh</b>	
	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Balances with banks		
Current accounts	44.04	266.66
Cheques & Draft on hand	0.45	4.04
Deposits with original maturity up to three months (including interest accrued)		136.34
<b>Total</b>	<b>44.49</b>	<b>407.04</b>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 9 TO THE FS -CA- BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
Balances with banks		
Deposits with original maturity more than three months but not more than 12 Months	6,759.05	854.71
Interest Accrued on deposit	17.81	13.86
<b>Total</b>	<u>6,776.86</u>	<u>868.57</u>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 10 TO THE FS-CA-OTHER FINANCIAL ASSETS**

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
Lease Rent Recoverable*	17.76	-
<b>Total</b>	<b>17.76</b>	<b>-</b>

\* Land lease rent on 42 Acre, receivable from BHEL





**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 11 TO THE FS -CA- OTHER CURRENT ASSETS**

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
<b>Advances</b>		
Deposit with Customs, port trust & others	225.65	-
Unsecured		
Employees	2.41	3.53
Contractors & suppliers	16.73	-
Unsecured		
Claims Recoverable-Unsecured, considered good	37.19	-
	<u>281.98</u>	<u>3.53</u>
Assets held for disposal	15,819.66	18,548.00
Others	3.14	-
<b>Total</b>	<u><u>16,104.78</u></u>	<u><u>18,551.53</u></u>

- a) Assets held for disposal represents assets transferred to the Company by the Scheme notified by the Government of Jharkhand (GoJ) vide notification No. 888 dated 01/04/2016 of Patratu Thermal Power Station, accounted at fair realisable value net of decommissioning cost based on assessment made by the company in terms of the applicable accounting practices, as during the year 2016-17 it was decided to shut down the existing unit and to dispose off all the existing units, accordingly plant was shut down on 24th Jan 2017. During the year 2017-18 it was further decided to dispose off old inventory including stores and spares, accordingly these assets were further transferred to Assets held for disposal. The proceeds realised during the year from dismantling of the existing units, current assets & Scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in SJVA has been credited to GoJ in lieu of the Specified Assets Transfer consideration. The corresponding liability on account of these assets has been created and disclosed after setting off amount recoverable toward dismantling cost in Note No. 19



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 12 TO THE FS -EQUITY SHARE CAPITAL**

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
<b>Equity share capital</b>		
<b>Authorised</b>		
5000,000,000 shares of par value ₹10/- each (500,000,000 shares of par value ₹10/- each as at 31 March 2018)	<u>500,000.00</u>	<u>50,000.00</u>
<b>Issued, subscribed and fully paid up</b>		
316,383,772 equity shares of par value ₹ 10/- each (124491880 shares of par value ₹10/- each as at 31 March 2018)	<u>31,638.38</u>	<u>12,449.19</u>
	<u><b>31,638.38</b></u>	<u><b>12,449.19</b></u>

a) **Movements in equity share capital:**

The company has not bought back any equity shares. The total number of Equity shares issued are

191,891,892

b) **Terms and rights attached to equity shares:**

The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31.03.2019		31.03.2018	
	No. of shares	%age holding	No. of shares	%age holding
- NTPC Limited	234,124,000	74.00	92,124,000	74.00
- Jharkhand Bijli Vitran Nigam Limited	82,259,772	26.00	32,367,880	26.00



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### NOTE NO. 13 TO THE FS -EQUITY - OTHER EQUITY

	₹ Lakh	
Particulars	As at 31.03.2019	As at 31.03.2018
<b>Reserve &amp; Surplus</b>		
<b>Retained earnings</b>		
Opening balance	(4.87)	(7.42)
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	(137.65)	2.55
	(142.52)	(4.87)
<b>Share Application Money*</b>		
Opening balance	4,324.32	4,662.16
Addition during the year	14,864.87	12,101.35
Utilised for Allotment during the year	19,189.19	12,439.19
Closing balance	-	4,324.32
<b>Total</b>	<b>(142.52)</b>	<b>4,319.45</b>

#### \*Details of Share Application Money

	As at 31.03.2019	As at 31.03.2018
Share application money pending for allotment*		
Received from NTPC Limited	11,000.00	3,200.00
Received from JBVNL	3,864.87	1,124.32
<b>Total</b>	<b>14,864.87</b>	<b>4,324.32</b>

\* Pending for Allotment as on 31.03.2019 is Nil



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 14 TO THE FS -NCL-BORROWINGS**

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
<b>Term loans</b>		
<b>From Others</b>		
<b>Secured</b>		
Term loans	62,700.00	12,175.69
<b>Others</b>		
Unsecured	83,235.61	79,434.82
	<u>145,935.61</u>	<u>91,610.51</u>
Less: Current maturities of term loan - Unsecured	700.00	4,175.00
Interest Accrued but not due Other Loan- Unsecured	-	0.69
<b>Total</b>	<u><u>145,235.61</u></u>	<u><u>87,434.82</u></u>

**a) Details of terms of repayment and rate of interest**

- i) Secured rupee term loans from other carry interest rate at '3 year AAA Bond yield rate' +115 bps p.a with reset after 3 years quarterly rests. The loans are repayable in 56 quarterly instalments after mortorium period of 6 years, having door to door tenure of 20 years, secured by all existing and future movable assets of the project including equipment machineries and other current assets, book debts receivables and all other movables.
- ii) Secured rupee term loans from Parent Company NTPC Limited carry interest rate of 10% p.a. with quarterly rests. Outstanding Loan balance of ₹ 700 lakh is payable on 30th September 2019.
- iii) Unsecured rupee long term loan from Government of Jharkhand carry interest at the rate of weighted average cost of borrowing of each quarter subject to ceiling of 10% per annum. The said loan is utilised as consideration for issue and allotment of shares in its % ownership as prescribed in JV agreement. During the year a sum of ₹ 3864.87 lakh has been transferred to share application money and utilised towards issue of shares.



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### NOTE NO. 15 TO THE FS-NCL-TRADE PAYABLES

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
<b>TRADE PAYABLES(NON CURRENT)</b>		
For Goods and Services		
- Micro & Small Enterprises	-	-
- Others	3.66	-
<b>Total</b>	<b>3.66</b>	<b>-</b>



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### NOTE NO. 16 TO THE FS -NCL-OTHER FINANCIAL LIABILITIES

Particulars	₹ Lakh	
	As at 31.03.2019	As at 31.03.2018
<b>Payable for capital expenditure</b>		
-Micro & Small Enterprises	19.19	-
-Other	2,049.60	4.82
<b>Other payables</b>		
Deposits from contractors and others	-	-
Others	-	0.42
<b>Total</b>	<b>2,068.79</b>	<b>5.24</b>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 17 TO THE FS -CL-TRADE PAYABLES**

<b>Particulars</b>	<b>₹ Lakh</b>	
	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Trade Payable</b>		
For goods and services		
-Micro & Small Enterprises	5.12	2.47
-Other*	6,801.71	11,852.48
<b>Total</b>	<b>6,806.83</b>	<b>11,854.95</b>

\* Trade payable has been reduced by ₹ 5220.24 Lakh due to reconciliation done with JUUNL and the same payable amount has been adjusted with trade receivable from JBVNL(refer foot note of Note No. 7)



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 18 TO THE FS -CL-OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Current maturities of long term borrowings</b>		
From Others		
Secured		
Rupee term loans	700.00	4,175.00
Book overdraft	154.94	-
Interest accrued but not due on borrowing	-	0.69
<b>Payable for capital expenditure</b>		
-Micro & Small Enterprises	109.55	4.09
-Other	7,297.10	2,477.64
<b>Other payables</b>		
Deposits from contractors and others	20.46	22.85
Payable to employees	465.05	0.27
Others	10.91	0.77
Payable to NTPC Limited	698.97	355.29
<b>Total</b>	<b>9,456.98</b>	<b>7,036.60</b>

- a) Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in Note 14.
- b) Payables for capital expenditure include amount ₹ 1999.09 lakh (31 March 2018: ₹ 2359.88 lakh) payable to holding company NTPC Limited.
- c) Other payables - Others include amount ₹ 698.97 lakh (31 March 2018 ₹ 355.29 lakh) payable to holding company NTPC Limited.





**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 19 TO THE FS -CL-OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2019	₹ Lakh As at 31.03.2018
Advances from customers and others	153.50	
Tax deducted at source and other statutory dues	261.80	335.28
Others	18,163.50	17,662.55
<b>Total</b>	<b>18,578.80</b>	<b>17,997.83</b>

- a) Others represents amount ₹ 18163.50 lakh (As at 31.03.2018 ₹ 17662.55 lakh) payable to Government of Jharkhand on future disposal of the discarded assets, net of dismantling cost recoverable.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 20 TO THE FS -REVENUE FROM OPERATION**

Particulars	₹ Lakh	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Energy sales	-	(53.34)
<b>Total</b>	<b>-</b>	<b>(53.34)</b>

- a) The generation and sale of the electricity of the plant accounted based on actual expenditure incurred during the relevant period.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**  
**NOTE NO. 21 TO THE FS -OTHER INCOME**

Particulars	₹ Lakh	
	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Interest from</b>		
Deposits with bank	98.61	39.35
<b>Other</b>		
Miscellaneous income	20.96	1.51
	<u>119.57</u>	<u>40.86</u>
Less: Transferred to expenditure during construction period	119.57	40.67
<b>Total</b>	<u>-</u>	<u>0.19</u>



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### NOTE NO. 22 TO THE FS -EMPLOYEE BENEFIT

₹ Lakh

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries and wages*	2,745.30	1,486.00
Contribution to provident and other funds	581.23	307.66
Staff welfare expenses	459.99	120.01
	<u>3,786.52</u>	<u>1,913.67</u>
Less: Transferred to expenditure during construction period (net)- Note 26	3,786.52	1,713.25
<b>Total</b>	<u><u>-</u></u>	<u><u>200.42</u></u>

\* Provision for Performance Related Pay to Employees for FY 2017-18 was inadvertently left to be accounted in FY 2017-18 and during the FY 2018-19, actual PRP (Rs 410 Lakh) for FY 2017-18 distributed in FY 2018-19 booked in account during the year.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 23 TO THE FS -FINANCE COST**

₹ Lakh

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Finance charges on financial liabilities measured at amortised cost</b>		
Rupee Term loans	3,237.92	475.31
Other Loans	7,665.65	2,015.81
Unwinding of discount on account of vendor liabilities	4.25	0.25
	<u>10,907.82</u>	<u>2,491.37</u>
<b>Sub-Total</b>		
Less: Transferred to expenditure during construction period (net) - Note 26	10,907.82	2,874.63
<b>Total</b>	<u>-</u>	<u>(383.26)</u>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 24 TO THE FS -DEPRECIATION,AMORTIZATION AND IMPAIRMENT EXPENSES**

₹ Lakh

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Depreciation, amortization and impairment expense</b>		
On property, plant and equipment - Note 2	169.93	107.00
On intangible Assets - Note 4	7.18	5.14
	<u>177.11</u>	<u>112.14</u>
<b>Sub-Total</b>		
Less: Transferred to expenditure during construction period (net) - Note 26	177.11	112.14
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>-</u>	<u>-</u>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 25 TO THE FS -OTHER EXPENSES**

Particulars	₹ Lakh	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Power charges	84.99	31.90
Less: Recovered from contractors & employees	0.69	0.41
	84.30	31.49
Rent	3.40	0.78
Repairs & maintenance		
Buildings	74.29	62.17
Construction Equipments	-	0.20
Others	904.43	940.25
	978.72	1,002.62
Insurance	3.79	16.48
Rates and taxes	30.01	28.09
Training & recruitment expenses	7.15	3.23
Less: Receipts	-	-
	7.15	3.23
Communication expenses	51.08	30.98
Travelling expenses	225.59	87.88
Foreign Travel	2.90	
Tender expenses	9.00	22.16
Less: Receipt from sale of tenders	0.63	-
	8.37	22.16
Payment to auditors		
Audit fee	1.06	1.23
Other services	0.80	-
Advertisement and publicity	74.83	5.58
Security expenses	2,110.54	1,647.28
Entertainment Expenses	34.82	12.94
Expenses for guest house	15.98	15.02
Less: Recoveries	0.09	0.31
	15.89	14.71
Professional charges and consultancy fee	47.47	14.80
Legal expenses	0.15	3.24
EDP hire and other charges	14.38	8.83
Printing and stationery	16.26	8.45
Hiring of vehicles	121.91	80.04
Bank LC Charges	0.61	97.53
Miscellaneous expenses	275.59	282.29
	4,109.62	3,400.63
Less: Transferred to development of coal mines	-	97.51
Transferred to expenditure during construction period (net) - Note 26	4,100.97	3,381.85
Sub Total	8.65	(78.73)
Provision for Doubtful Debt	129.00	-
Total	137.65	(78.73)
a) Details in respect of payment to auditors:		
As auditor		
Audit fee	0.90	0.83
Tax audit fee	-	0.22
In other capacity		
Other services (certification fee)	0.68	-
Reimbursement of taxes	0.28	0.18
Total	1.86	1.23



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**NOTE NO. 26 TO FS -EXPENDITURE DURING CONSTRUCTION PERIOD (NET)**

Particulars	₹ Lakh	
	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>A. Employee benefits expense</b>		
Salaries and wages	2,745.30	1,285.58
Contribution to provident and other funds	581.23	307.66
Staff welfare expenses	459.99	120.01
<b>Total (A)</b>	<b>3,786.52</b>	<b>1,713.25</b>
<b>B. Finance costs</b>		
Finance charges on financial liabilities measured at amortised cost		
Rupee term loans	10,907.82	2,874.63
<b>Total (B)</b>	<b>10,907.82</b>	<b>2,874.63</b>
<b>C. Depreciation and amortisation</b>	<b>177.11</b>	<b>112.14</b>
<b>D. Generation, administration &amp; other expenses</b>		
Power Charges	84.99	31.90
Less : Receipts from contractors & Employees	0.69	0.41
	84.30	31.49
Rent	3.40	0.78
Repairs & maintenance		
Buildings	74.29	62.17
Construction Equipments	-	0.20
Others	904.43	1,027.28
	978.72	1,089.65
Insurance	3.79	16.48
Rates & Taxes	30.01	28.09
Communication expenses	51.08	30.98
Travelling expenses	228.49	87.88
Tender Expenses	9.00	22.16
Less : Receipts from Sale of Tender	0.63	-
	8.37	22.16
Advertisement and publicity	74.83	5.58
Security expenses	2,110.54	1,643.36
Entertainment expenses	34.82	12.94
Expenses for guest house	15.98	15.02
Less : Receipts from Guest House	0.09	0.31
	15.89	14.71
Professional Charges and Consultancy fee	46.77	14.21
Legal expenses	0.15	3.24
EDP hire and other charges	14.38	8.83
Printing and stationery	16.26	8.45
Miscellaneous expenses	399.17	363.02
<b>Total (D)</b>	<b>4,100.97</b>	<b>3,381.85</b>
<b>Grand total (A+B+C+D)</b>	<b>18,972.42</b>	<b>8,081.87</b>
Less: Other income from Note 21	119.57	40.67
<b>Net Transferred to CWIP (Note 3)</b>	<b>18,852.85</b>	<b>8,041.20</b>





## PATRATU VIDYUT UTPADAN NIGAM LIMITED

- 27 The Government of Jharkhand (GoJ), vide its notification No. 888 dated 1st April 2016, notified 'The Jharkhand State Electricity Reforms (Transfer of Patratu Thermal Power Station) Scheme 2015' for the transfer of the specified assets to the Company. During the year 2016-17, a meeting was held in December 2016 between GoJ and management, where it was agreed that the existing running units shall be stopped and dismantled and the value realised from sale of these units shall be transferred to GoJ in lieu of Specified Assets Transfer Consideration. On the basis of decision, Company had shut down the plant with effects from 24th January 2017. In view of the above decision the Company had accounted the current assets of the station in the accounts based on valuation report of MECON in the year ended 31st March 2017 as per then JV Agreement. Further, Fixed assets of the existing units were considered as assets retired from active use and classified as held for sale and carried at lower of its carrying amount and fair value less cost of sale during the year 2016-17 based on the internal technical assessment.

During the year 2017-18, Supplementary Joint Venture agreement (SJVA) was executed, whereby it was decided that existing Plant & Machinery, Plant Civil & Structural Building, including Current Assets and value of the scrap lying in plant premises shall be tried up on the basis of actual realisation from dismantling and sale of the Existing Units, Current Assets and Scrap. The proceeds realised from dismantling of the existing units, current assets & Scrap less administrative expenses towards the sale, land lease and any other incidental expenses as specified in SJVA shall be credited to GoJ in lieu of the Specified Assets Transfer consideration.

Consequent to this the value of the Coal and LDO and certain items of the store which were consumed in year 2016-17, were accounted in 2017-18 as expenses and credited to GOJ in addition to remaining items of the current assets which includes Store & Spares, HFO and Scrap etc., and are carried in the accounts based on the value determined by MECON as per notified Scheme.

Necessary accounting adjustment were made in the year 2017-18 by derecognition of the current assets (net of consumption) by transferring to 'Assets held for Disposal'. Further deemed loan and interest payable recognised in past were reworked during the year 2017-18 based on SJVA.

The Company had signed the Deed of Adherence with Ministry of Coal and JUUNL for Banhardih Coal Block on 2nd June 2017. Ministry of Coal extended its consent for signing deed of assignment between PVUNL and JUUNL, which has been executed on 18th May 2018. PVUNL has been granted approval under section 3 and section 4 of CBA Act 1957 by Ministry of Coal.

- 28 The Sale of Energy has been accounted for till the year 2017-18 based on terms agreed in the SJVA i.e. based on actual expenditure made by the company for the generation of electricity. Reconciliation of Energy dues with JBVNL in association with JUUNL has been completed. Only two claims were not admitted by JBVNL i.e. Rs 129 Lakh on account of Interest payable to CCL & Rs 84 Lakh on account of Interest demand from CISF.
- 29 The land admeasuring 1199.03 Acre was transferred to the Company for the Phase-I (3x800 MW) by GOJ during the year 2017-18, for which mutation has been done during the current year. The consideration payable towards land was recognised as 'Deemed Loan' in year 2017-18 and interest on the same is being accounted as per terms of SJVA.
- 30 During the year Stores & Spares and substantial scrap related to old PTPS plant has been disposed as mandated by SJVA. Further, the expenses incurred for dismantling towards the manpower engaged and establishment, fee and charges, security, safety were identified and considered recoverable from GoJ and adjusted with the amount payable on account of discarded assets. With the disposal of stores & spares and substantial scrap related to old plant, the values of stores & spares (Rs 2475.66 Lakh) and Scrap (Rs. 252.68 Lakh) forming part of Asset held for disposal and their corresponding liability has been reversed during the year.
- 31 a) BHEL was awarded the EPC contract for 3x800 MW Phase-I plant on 8th March 2018. BHEL has mobilised during the year and project execution is in progress. During the year Township(at Patratu) package has been awarded to BHEL in addition to EPC package.
- b) The foreign currency outgo during the year was USD 3.176 million (equivalent Rs. 2317.98 Lakh) and EURO 6.151 million (equivalent Rs. 5122.83 Lakh) which was for the purpose of making initial advance payment to BHEL as per term of the EPC contract.
- 32 Amount in the financial statements are presented in ₹ Lakh (up to two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately.
- 33 a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts. With regard to receivables for sale of energy, the reconciliation with beneficiaries customers has been completed during the year. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.
- b) In the opinion of the management, the value of assets, other than fixed assets, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- 34 **Disclosure as per Ind AS 2 'Inventories'**  
Amount of inventories recognised as expense during the year is as under:

Particulars	₹ lakh	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Fuel	0.00	212.62
Others (included in Note 25 - Other expenses)	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>212.62</b>



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**35. Disclosure as per Ind AS 24 'Related Party Disclosures'**

**a) List of Related parties:**

**i) Parent**

1. NTPC Limited

**ii) Parent's Joint ventures:**

1. Utility Powertech Ltd.

**iii) Key Managerial Personnel (KMP):**

Shri Saptarshi Roy	Chairman (up to 25/6/2018)
Shri S. K. Roy	Director & Chairman* (*w.e.f. 18/7/2018)
Shri P. K. Mohapatra	Director upto 30/4/2018
Shri G. Venu	Director from 21/5/2018 upto 21/8/2018
Shri T. R. Datta	Director w.e.f. 18/7/2018
Mrs. Sangeeta Bhatia	Director w.e.f. 23/8/2018
Dr. Nitin Madan Kulkarni, IAS	Director upto 31/10/2018
Ms. Vandana Dadel, IAS	Director w.e.f. 21/11/2018
Shri A. K. Sinha	Chief Executive Officer upto 25/7/2018
Shri Sudarsan Chakrabarti	Chief Executive Officer w.e.f. 2/8/2018
Shri A. K. Acharya	Chief Financial Officer
Shri Sipan K. Garg	Company Secretary

**iv) Entities under the control of the same government:**

The Company is a Subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Parent company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Bharat Heavy Electricals Ltd, Coal India Limited, SAIL, Indian Oil Corporation Ltd, REC Ltd.

**v) Others:**

1. Jharkhand Biji Vitran Nigam Limited

**b) Transactions with the related parties are as follows:**

₹ lakh

Parent, Parent's Subsidiaries and Joint Venture Companies Particulars	NTPC Limited		Utility Powertech Ltd.	
	2018-19	2017-18	2018-19	2017-18
i) Sales/purchase of goods and services during the year				
- Contracts for works/services for services received by the Company	2338.49	4875.46	255.86	133.04
- Sale of Goods to NTPC North Karanpura	230.83	-	-	-
ii) Deputation of employees and other expenses	643.68	611.36	-	-
iii) Payment of Interest	337.12	467.65	-	-
iv) Equity Contribution made	11000.00	8955.00	-	-
vi) Loans received	-	1675.00	-	-
vii) Loans repaid	3475.00	825.00	-	-

₹ lakh

	2018-19	2017-18
<b>Compensation to Key management personnel</b>		
- Short term employee benefits	138.09	69.43

₹ lakh

Transactions with the related parties under the control of the same government:				
Sl. No.	Name of the Company	Nature of transaction	2018-19	2017-18
1	Bharat Heavy Electricals Ltd	Advance, Supply & Services for EPC	51855.3	-
	Bharat Heavy Electricals Ltd	Recoveries related to EPC Package	18.64	-
2	Central Coal Field Limited	Purchase of coal - Price difference	-	210.11
3	Indian Oil Corporation Ltd.	Supply of oil products	-	15.94
4	Steel Authority of India Ltd.	Supply of steel and iron products	-	-
5	BEML	Purchase of spares	5.15	2.29
6	Rural Electrification Corporation Ltd	Rupee Term Loan	56900.80	8007.65
7	BCCL	Reimbursement of Expenditure	167.60	-



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

c) Outstanding balances with related parties are as follows:

₹ lakh

Particulars	31 March 2019	31 March 2018
<b>Loans to/from:</b>		
- From Holding Company	700.00	4175.00
<b>Amount payable (other than loans)</b>		
- To Holding Company	2697.26	2715.17
- To Joint Ventures	84.25	28.09
<b>Amount Receivable (other than loans)</b>		
- From Holding Company	230.83	0.00

₹ lakh

Transactions with others listed at (a) (v) (1) above	2018-19	2017-18
Transactions during the year		
- Sale of Energy and interest thereon	-	(53.34)
- Equity contributions made	3,864.87	3,146.35

e) **Terms and conditions of transactions with the related parties**

- i) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- ii) The Company is assigning jobs on contract basis, for sundry works in plants/stations/offices to M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between the Parent Company and Reliance Infrastructure Ltd. UPL inter-alia undertakes jobs such as overhauling, repair, refurbishment of various mechanical and electrical equipments of power stations. The rates are fixed on cost plus basis after mutual discussion and after taking into account the prevailing market conditions.
- iii) The holding company is seconding its personnel to our Company as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institutions. The company also reimbursed the cost incurred by the holding company towards superannuation and employee benefits.
- iv) The loan from holding Company - NTPC Limited is at 10% interest quarterly rest, the loan is due to be repaid on 30th Sept 2019.
- v) The company had entered into a Rupee Term Loan agreement during FY 2017-18 with REC Ltd for meeting the debt requirement of Rs 14000 crores for 3x800 MW Phase -I project at Patratu. During the year disbursement of Rs. 540 Crore (Previous FY 2017-18 Rs 80 Crore) has been received.



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### 36 Disclosure as per Ind AS 33 'Earnings per Share'

<b>Basic and diluted earnings per share</b>	<b>For the year ended 31.03.2019</b>	<b>For the year ended 31.03.2018</b>
Profit attributable to equity shareholders (₹ lakh)	(137.65)	2.55
Nominal value per share (₹)	10	10
<b>Weighted average number of equity shares (used as denominator)</b>		
Opening balance of issued equity shares	124,491,880	100,000
Effect of shares issued during the year, if any	45,871,864	103,711,025
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>170,363,744</b>	<b>103,811,025</b>
Earning per Share (Par value ₹ 10/- each) in ₹	(0.08)	0.00

### 37 Disclosure as per Ind AS 36 'Impairment of Assets'

As required by Ind AS 36 : Impairment of Assets, an assessment of impairment of assets was carried out and no indication of any impairment exists at the end of reporting period.

### 38 Disclosure as per Ind AS 108 'Operating segments'

The Company has one reportable segment, which is generation of energy. Information about reportable segment is same as reflected in the financial statements.



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### 39 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include capital work in progress and incidental expenses during the construction period, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Placement of deposit with Banks having sound financials status and adequate capital ratio, credit limits.
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Maintaining adequate funds in the form of cash and bank balances and monitoring expected cash inflows on trade receivables
Market risk – interest rate risk	Domestic Loan	Analysis of changes in current market interest rate	To maintain adequate mix between variable rate and fixed-rate funding

#### Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has policies covering specific areas, such as interest rate risk, other price risk, credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed on a continuous basis.

#### A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

#### i) Trade receivables

The Company primarily sells electricity to Jharkhand Bijali Vitran Nigam Limited, owned by State Governments. The beneficiaries at the time of entering into the Power Purchase Agreement with the Company also enters into a Guarantee agreement of the respective State. The guarantor (State Government) unconditionally guarantees to the Company to pay every sum of money which the beneficiary is liable to pay to the Company for supply of power. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years.



**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

ii) **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 44.49 lakh (31 March 2018: ₹ 407.04 lakh). The cash and cash equivalents are held with banks with high rating.

iii) **Deposits with banks and financial institutions**

Other Bank Balance includes deposits held with banks and financial institutions of ₹ 6776.86 lakh (31 March 2018: ₹ 868.57 Lakh). In order to manage the risk, company accepts only high rated banks/institutions.

a) **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	₹ Lakh	
	31 March 2019	31 March 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Other non-current financial assets	40568.79	41.31
Cash and cash equivalents	44.49	407.04
Bank balances other than cash and cash equivalent	6776.86	868.57
Other current financial assets	16122.54	18551.53
	<b>63512.68</b>	<b>19868.45</b>
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	8197.88	13286.60
	<b>8197.88</b>	<b>13286.60</b>

b) **Provision for expected credit losses**

i) **Financial assets for which loss allowance is measured using 12 month expected credit losses**

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Further it includes assets held for disposal which are valued at fair value, and in case realisation fetch below fair value the consequent loss shall be on the part of GoJ as per arrangement. Hence, no impairment loss has been recognised during the reporting periods.

ii) **Financial assets for which loss allowance is measured using life time expected credit losses**

The company has customers (State government utilities) with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

iii) **Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below

Ageing	₹ Lakh						Total
	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	
Gross carrying amount as on 31/03/2019	-	-	-	-	-	8197.88	8197.88
Gross carrying amount as on 31/03/2018	-	-	-	-	-	13286.60	13286.60

iv) **Reconciliation of impairment loss provisions**

No allowance for impairment in respect of financial assets arises during the year ended on 31st March 2019 and 31st March 2018.



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due and to close out market positions. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### (i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	₹ Lakh	
	31 March 2019	31 March 2018
Term loans and deemed loan from GoJ	0.00	0.00
Floating-rate borrowings	1338000.00	1392000.00
<b>Total</b>	<b>1338000.00</b>	<b>1392000.00</b>

#### (ii) Maturities of financial liabilities

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

Contractual maturities of financial liabilities As on 31/03/2019	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non-derivative financial</b>						
Term loans from Parent Company	-	700.00	-	-	-	700.00
Term loans from Other	-	-	-	-	62,000.00	62,000.00
Deemed Loan from GOJ#	-	-	-	-	83,235.61	83,235.61
Trade and other payables	6,806.83	-	-	-	-	6,806.83
Other financial liability	8,211.40	525.15	1,195.01	873.75	-	10,805.31
<b>Derivative financial liabilities</b>	-	-	-	-	-	-

# Deemed loan shall be repaid through conversion in to equity as per arrangement. No repayment schedule stipulated hence remaining balance considered in bucket more than 5 years.

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

Contractual maturities of financial liabilities As on 31/03/2018	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non-derivative financial</b>						
Term loans from Parent Company	-	4,175.00	-	-	-	4,175.00
Term loans from Other	0.69	-	-	-	8,000.00	8,000.69
Deemed Loan from GOJ#	-	-	-	-	79,434.82	79,434.82
Trade and other payables	1,050.55	10,804.40	-	-	-	11,854.95
Other financial liability	2,505.62	355.29	0.42	4.82	-	2,866.15
<b>Derivative financial liabilities</b>	-	-	-	-	-	-

# Deemed loan shall be repaid through conversion in to equity as per arrangement. No repayment schedule stipulated hence remaining balance considered in bucket more than 5 years.



## PATRATU VIDYUT UTPADAN NIGAM LIMITED

### C. Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with variable interest rates. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	₹ Lakh	
	31 March 2019	31 March 2018
<b>Fixed-rate instruments</b>		
Rupee term loans(Short term)	700.00	4175.00
<b>Variable-rate instruments</b>		
Other Loans	145235.61	87435.51
<b>Total</b>	<b>145935.61</b>	<b>91610.51</b>

#### Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Cash flow sensitivity analysis for variable-rate instruments

The company is not exposed to risk of variable rate instrument.

#### Equity Price risk

The Company has no investment in tradeable equity.

### 40 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

### 41 Fair Value Measurements

The carrying amounts of short term trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

No effect of fair value measurement of borrowing as the current borrowing rate and documented rate are same.

The Company is not carrying any non-current trade payables and capital creditors where fair value measurement required based on discounted cash flows using a current borrowing rate.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.





**PATRATU VIDYUT UTPADAN NIGAM LIMITED**

42 Information in respect of micro and small enterprises as at 31 March 2019 as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs		
Particulars	31 March 2019	31-Mar-18
<b>a) Amount remaining unpaid to any supplier:</b>		
Principal amount	133.86	6.56
Interest due thereon	-	-
<b>b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.</b>	-	-
<b>c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.</b>	-	-
<b>d) Amount of interest accrued and remaining unpaid</b>	-	-
<b>e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act</b>	-	-
	<b>133.86</b>	<b>6.56</b>

43 Contingent liabilities and commitments

**Contingent liabilities**

a. Claims against the company not acknowledged as debts : ₹ 257.95 Lakhs

- i) Expenses related to development of Banhardih coal mine claimed by JUUNL but not accounted due to following reason:  
 -- Bills of Indu Project Ltd Rs 93.15 lakh (Rs. 81 lakh plus supervision charges @15%) which was not accepted by the JSEB  
 -- Rs 164.80 Lakh pertains to vendor M/s SWPE. This is a service tax related matter and pending in Court.

**b. Commitments**

a. Estimated amount of contracts remaining to be executed on capital account (property, plant & equipment) and not provided for as at 31 March 2019 and 31st March 2018 are given hereunder:

	₹ lakh	
	31.03.2019	31.03.2018
Property, Plant & Equipment*	1158664.08	1197121.87

Includes with NTPC Limited ₹ 20844.89 lakh (As on 31/03/2018 ₹ 29281.69 lakh)

44 Previous year figures have been regrouped/rearranged/reclassified wherever necessary to make them comparable with those of the current year

  
 (Sipan K Garg)  
 Company Secretary

  
 (A K Acharya)  
 Chief Financial Officer

  
 (S Chakrabarti)  
 Chief Executive Officer

  
 (T R Datta)  
 Director

For and on behalf of the Board of Directors

  
 (Sangeeta Bhatia)  
 Director

For Rajesh Srivastava & Co.  
 Chartered Accountants  
 Firm Reg. No 012000C

  
 (Rajesh Srivastava)  
 Partner  
 M No.074792

Place : Ranchi  
 Dated : 10/05/2019





## Independent Auditor's Report

**TO THE MEMBERS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED**

**REPORT ON THE STANDALONE Ind AS FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of PATRATU VIDYUT UTPADAN NIGAM LIMITED ("the Company"), which comprise the Balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the Standalone Ind AS financial statements 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 Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

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





Sr No.	Key Audit Matter	Auditor's Response
1.	Valuation of Inventories	We assessed the Company's process of valuation of inventories and found it satisfactory. We also assessed the internal control system related to inventory and found it satisfactory. We also verified the physical verification report of inventory and found that no excess/shortfall was reported by the auditor.
2.	Impairment Testing & related provision.	We assessed the Company's process of reviewing impairment of assets which is carried out by Company at each reporting date and found that no allowance for impairment of assets arises during the year ended on 31.03.2019 and 31.03.2018.
3.	Related Party transactions	We reviewed Company's transactions with its related parties and nothing adverse was found.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are





reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure 2" on the directions and sub-directions issued by The Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with 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 applicable Accounting Standards specified under Section 133 of the Act, relevant rule issued thereunder;





- e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
- f. With respect to the 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 3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal 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:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of  
Rajesh Srivastava & Co.  
Chartered Accountants  
(Firm Registration No. 012000C)

(CA Rajesh Srivastava)  
Partner  
Membership No.: 074792

Place: Ranchi  
Date : 10.05.2019





## **“Annexure 1” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2019:

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of two/three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The Company has obtained Conveyance Deeds/Title deeds/Mutation for 1199.03 acres of land transferred by Govt. of Jharkhand. The Company has Leasehold Agreement for 200 acres of land.
- (ii) The management has conducted the physical verification of inventory at reasonable intervals. No material discrepancies were noticed on such physical verification.
- (iii) 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. In view of the above, the clauses (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable.
- (iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of “the Order” is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and



records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

- (vii) (a) Undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2019 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution, bank, government or dues to debenture holders.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.
- (xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.





- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.
- (xvi) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For and on behalf of  
Rajesh Srivastava & Co.  
Chartered Accountants

(CA Rajesh Srivastava)

Place: Ranchi  
Date : 10.05.2019

Partner  
Membership No.: 074792



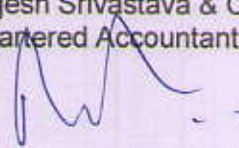


## “Annexure 2” to the Independent Auditors' Report

Referred to in our report of even date to the members of Patratu Vidyut Utpadan Nigam Limited on the accounts for the year ended 31st March 2019

Sl. No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is maintaining its accounts through IT system on SAP. The Company has system in place to process all the accounting transactions through IT system. No accounting transaction is done manually outside IT system.	NIL
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There is no case of restructuring of an existing loan. Also there is no cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan.	NIL
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	During the year, no funds were received or receivable for any specific schemes from Central/State agencies.	NIL

For and on behalf of  
Rajesh Srivastava & Co.  
Chartered Accountants

  
(CA Rajesh Srivastava)

Place: Ranchi  
Date : 10.05.2019

Partner  
Membership No.: 074792





**"Annexure 3" to the Independent Auditor's Report of even date on the Standalone Financial Statements of PATRATU VIDYUT UTPADAN NIGAM 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 **PATRATU VIDYUT UTPADAN NIGAM LIMITED**, ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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.

Place: Ranchi  
Date : 10.05.2019

For and on behalf of  
Rajesh Srivastava & Co.  
Chartered Accountants

(CA Rajesh Srivastava)

Partner  
Membership No.: 074792



\*\*\*\*\*



गोपनीय  
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प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा एवं पदेन् सदस्य, लेखा  
परीक्षा बोर्ड का कार्यालय, मेकन भवन, राँची - 834 002

OFFICE OF THE  
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT  
& EX-OFFICIO MEMBER, AUDIT BOARD  
MECON BUILDING, RANCHI-834 002

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दिनांक: 28.06.2019

सेवा में,

अध्यक्ष

पतरातु विद्युत उत्पादन निगम लिमिटेड

पतरातु, जिला-रामगढ

झारखण्ड-829119

विषय: 31 मार्च 2019 को समाप्त वर्ष के लिए पतरातु विद्युत उत्पादन निगम लिमिटेड के वित्तीय विवरणी (Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

इस पत्र के साथ पतरातु विद्युत उत्पादन निगम लिमिटेड का वर्ष 31 मार्च 2019 को समाप्त वित्तीय विवरणी (Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ संलग्न है।

इस पत्र की पावती की अभिस्वीकृति वांछित है।

भवदीय,

अनुलग्नक: यथोपरि

इन्दु अग्रवाल

(इन्दु अग्रवाल)

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा  
राँची

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**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PATRATU VIDYUT UTPADAN NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2019.**

The preparation of financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended 31 March 2019 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143(6)(b) of the Act.

**For and on behalf of the  
Comptroller and Auditor General of India**



**(Indu Agrawal)**

**Place: Ranchi  
Date: 28 June 2019**

**Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board, Ranchi.**