

## INDEPENDENT AUDITORS' REPORT

TO,

**THE MEMBERS OF JAMMU POWER DISTRIBUTION COMPANY LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **JAMMU POWER DISTRIBUTION COMPANY LIMITED** which comprise the Balance Sheet as at **31/03/2016**, the Statement of Profit and Loss and Cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2016**, and its **Loss** for the year ended on that date.

### Emphasis of Matter

We draw attention to the fact that the subscribers to the Memorandum of Association ('MOA') has failed to pay subscription money before the end of the financial year. In this case where subscription money not received, the same should be credited as paid-up, pursuant to the provision of Section 2(64) of the Companies Act, 2013, in the Balance Sheet of the company, then as per Schedule III of the Companies Act, 2013 the debts due from the subscriber should be appropriately disclosed as an asset in the balance sheet. The Company has disclosed Calls in Arrears as a deduction from paid up capital instead of an asset in the balance Sheet.

### Other Matters

1. The Company has failed to hold the first Annual General Meeting, the default stands as on date.
2. The company has not filed Annual Return and Balance Sheet for the financial year ended on 31<sup>st</sup> March 2016 within the prescribed time limit.
3. The Company has not obtained the extension for holding the AGM for the F.Y.2015-16 from ROC, the default stands as on date.
4. The company has not complied with the provisions of Section 173 of The Companies Act, 2013, for holding meetings of the board.
5. The company has not complied with the provisions of Section 88 of The Companies Act, 2013, for maintaining Register of Member.
6. As per Section 56 of the Companies Act, 2013, company have to issue share certificate within a period of 2 months of incorporation of the company. The Company has failed to comply with the provisions of Section 56.
7. The Company has not made the provision of ROC Penalties due in financial statements.
8. The Company has failed to file Income Tax Return before the due date as per Income Tax Act.
9. Register of Directors & KMPs not Maintained.
10. Form INC 22 not filed with ROC for Change of Address.



## **Basis for Opinion**

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

## **Responsibility of Management and Those Charged with Governance (TCWG)**

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**This report doesn't include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of sub section 11 of section 143 of the companies Act, 2013 since in Our opinion and according to the information and explanation given to us, the said order is not applicable to the company.**

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2016** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2016** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, clause (i) of section 143(3) of Companies Act 2013 is not applicable as per Notification No. G.S.R. 464(E) dated 13th day of June, 2017.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 02/03/2022

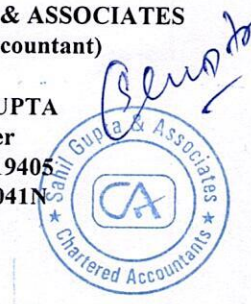
Place : Jammu

UDIN- 22519405ADYAQA7226

**FOR SAHIL GUPTA & ASSOCIATES**  
(Chartered Accountant)

**SAHIL GUPTA**  
Partner

M.No. : 519405  
FRN.024041N





## BALANCE SHEET AS AT 31.03.2016

PARTICULARS	NOTE	AS AT 31.03.2016	AS AT 31.03.2015

**EQUITY AND LIABILITIES****SHAREHOLDER'S FUNDS**

Share Capital	1	0.00	0.00
Reserves & Surplus	2	-1,46,946.00	-97,964.00
Money Received Against Share Warrants		0.00	0.00
		-1,46,946.00	-97,964.00

**Share Application Money Pending Allotment**

0.00 0.00

**NON - CURRENT LIABILITIES**

Long Term Borrowings		0.00	0.00
Deferred Tax Liabilities (Net)		0.00	0.00
Other Long Term Liabilities	3	68,210.00	68,210.00
Long Term Provisions		0.00	0.00
		68,210.00	68,210.00

**CURRENT LIABILITIES**

Short Term Borrowings		0.00	0.00
Trade Payables		0.00	0.00
Other Current Liabilities	4	1,06,020.00	70,680.00
Short Term Provisions		0.00	0.00
		1,06,020.00	70,680.00

**Total Equity and Liabilities**

27,284.00 40,926.00

**ASSETS****NON CURRENT ASSETS****Fixed Assets**

Tangible Assets		0.00	0.00
Intangible Assets		0.00	0.00
Capital Work in Progress		0.00	0.00
Intangible Assets under Development		0.00	0.00
		0.00	0.00

Non Current Investments		0.00	0.00
Deferred Tax Assets (net)		0.00	0.00
Long Term Loans And Advances		0.00	0.00
Other Non Current Assets		0.00	0.00
		0.00	0.00

**CURRENT ASSETS**

Current Investments		0.00	0.00
Inventories		0.00	0.00
Trade Receivables		0.00	0.00
Cash and Cash Equivalents	5	0.00	0.00
Short Term Loans and Advances		0.00	0.00
Other Current Assets	6	27,284.00	40,926.00
		27,284.00	40,926.00

**Total Assets**

27,284.00 40,926.00

Significant Accounting Policies

Notes on Financial Statements

M/s  
CHARTERED ACCOUNTANT  
MEMBERSHIP No.:  
FRN NO: 024011N

M.No. 51405

SHIV ANANT TAYAL  
MANAGING DIRECTOR  
DIN: 08383300

JAGMOHAN SHARMA  
DIRECTOR CUM CHAIRMAN  
DIN: 09469181



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

PARTICULARS	NOTE	AS AT 31.03.2016	AS AT 31.03.2015
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**INCOME**

Revenue from Operations		0.00	0.00
Other Income		0.00	0.00

**Total Revenue**

0.00

0.00

**EXPENDITURE**

Cost of Material Consumed		0.00	0.00
Purchases of Stock in Trade		0.00	0.00
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		0.00	0.00
Employee Benefits Expense		0.00	0.00
Finance Costs		0.00	0.00
Depreciation and Amortisation Expense		0.00	0.00
Other Expenses	7	48,982.00	48,982.00

**Total Expenses**

48,982.00

48,982.00

**Profit / (-) Loss Before Tax**

-48,982.00

-48,982.00

**Tax Expenses**

Current Tax		0.00	0.00
Deferred Tax		0.00	0.00

**Profit / (-) Loss for the Year**

-48,982.00

-48,982.00

**Earning per Equity Share of Face Value of ₹ 10 Each**

Basic and Diluted ( in ₹ )

0.00

0.00

Significant Accounting Policies  
Notes on Financial Statements

M/s  
CHARTERED ACCOUNTANT  
MEMBERSHIP No.  
FRN NO:



SHIV ANANT TAYAL  
MANAGING DIRECTOR  
DIN: 08383300

JAGMOHAN SHARMA  
DIRECTOR CUM CHAIRMAN  
DIN: 09469181



## CASH FLOW STATEMENT FOR THE YEAR 2015-16

PARTICULARS	NOTE	AS AT 31.03.2016	AS AT 31.03.2015

**A. CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit Before Tax as per Profit & Loss Account		-48,982.00	-48,982.00
Adjusted For :			
Depreciation and Amortisation Expense	0.00	0.00	
Adjustment for Non Cash Expense	13,642.00	13,642.00	
Adjustment for TDS	0.00	0.00	
Finance Costs	0.00	0.00	
		13,642.00	13,642.00
Operating Profit before Working Capital Changes		-35,340.00	-35,340.00
Adjusted For :			
Trade & Other Receivables	0.00	0.00	
Inventories	0.00	0.00	
Preliminary Expenses	0.00	0.00	
Trade & Other Payables	35,340.00	-32,870.00	
		35,340.00	-32,870.00
Cash Generated from Operations		0.00	-68,210.00
Taxes Paid		0.00	0.00
Net Cash from Operating Activities		0.00	-68,210.00

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	0.00	0.00
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**C. CASH FLOW FROM FINANCING ACTIVITIES**

Increase in Share Capital	0.00	0.00
Increase in Unsecured Loans	0.00	0.00
Proceeds from Long Term Borrowings/Liabilities	0.00	68,210.00
Interest Paid	0.00	0.00
Net Cash (used in) / From Financing Activities	0.00	68,210.00
Net Increase in Cash and Cash Equivalents	0.00	0.00
Opening Balance of Cash and Cash Equivalents	0.00	0.00
Closing Balance of Cash and Cash Equivalents	0.00	0.00

M/s  
CHARTERED ACCOUNTANT  
MEMBERSHIP No.:  
FRN NO:



SHIV ANANT TAYAL  
MANAGING DIRECTOR  
DIN: 08383300

JAGMOHAN SHARMA  
DIRECTOR CUM CHAIRMAN  
DIN: 09469181



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

PARTICULARS	No. of Shares 31.03.2016	AS AT 31.03.2016	No. of Shares 31.03.2015	AS AT 31.03.2015

**NOTE : 1 SHARE CAPITAL**

AUTHORISED CAPITAL

Equity Shares of Rs. 10 each with voting Rights	2,50,000	25,00,000.00	2,50,000	25,00,000.00
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ISSUED & SUBSCRIBED

Equity Shares of Rs. 10 each	50,000	5,00,000.00	50,000	5,00,000.00
Share Application Money		0.00		0.00
	50,000	5,00,000.00	50,000	5,00,000.00

PAID UP CAPITAL

Equity Shares of Rs. 10 each	50,000	5,00,000.00	50,000	5,00,000.00
- Less : Calls in Arrear	50,000	5,00,000.00	50,000	5,00,000.00
	0	0.00	0	0.00

- Shares in each class held by Holding company, ultimate company, subsidiaries or associates of the holding company or ultimate holding company

- Details of shares held by each shareholder holding more than 5 % shares

	No. of shares held	% holding	No. of shares held	% holding
<u>Equity Shares with voting rights</u>				
J & K State Power Trading Co Ltd	49,960	99.92	49,960	99.92
Others	40	0.08	40	0.08
Total	50,000	100	50,000	100

- Shares are not reserved for issue under options and contract commitments for sale of shares
- No shares are issued other than for cash pursuant to contracts.
- No shares were brought back
- There are no convertible securities
- All Shares which were subscribed are unpaid ( From Directors and Officers )
- There are no Forfeited shares ( Original paid up amount )
- No calls are unpaid ( including Directors and Officers )
- There are no Forfeited shares ( Original paid up amount )

**NOTE : 2. RESERVES & SURPLUS**

Capital Reserve	0.00	0.00
Capital Redemption Reserve	0.00	0.00
Securities Premium Reserve	0.00	0.00
Debentures Redemption Reserve	0.00	0.00
Revaluation Reserve	0.00	0.00
Shares Options Outstanding Amount	0.00	0.00
General Reserve	0.00	0.00
Profit / (Loss) Account		
Opening Balance	-97,964.00	-48,982.00
Adjustments	0.00	0.00
For the Year	-48,982.00	-48,982.00
Closing Balance	-1,46,946.00	-97,964.00
<b>Total</b>	<b>-1,46,946.00</b>	<b>-97,964.00</b>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015

**NOTE : 3. OTHER LONG TERM LIABILITIES**

Trade Payable	0.00	0.00
Others - (JKPDCL= 9750) (JKPDD = 58460)	68,210.00	68,210.00
<b>Total</b>	<b>68,210.00</b>	<b>68,210.00</b>

**NOTE : 4. OTHER CURRENT LIABILITIES**

Current maturities of long term debt	0.00	0.00
Interest accrued but not due on Borrowings	0.00	0.00
Interest accrued and due on Borrowings	0.00	0.00
Unpaid Dividends	0.00	0.00
<u>Other Payables</u>		
Professional Charges Payable	46,020.00	30,680.00
Audit Fees Payable	60,000.00	40,000.00
<b>Total</b>	<b>1,06,020.00</b>	<b>70,680.00</b>

**NOTE : 5. CASH AND CASH EQUIVALENT**

<b>Cash in Hand</b>		
- Cash Balance	0.00	0.00
- Petty cash Balance	0.00	0.00
<b>Bank Balance</b>	0.00	0.00
<b>Cheques, Drafts in Hand</b>	0.00	0.00
<b>Others</b>	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

Earmarked Balances with Bank is Nil

Balance with Banks to the extent held as margin money or security against the borrowings, guarantees, other commitment is Nil.

There is no repatriation restrictions in respect of cash and bank balances.

Bank deposits with more than 12 months maturity are Nil.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

PARTICULARS		AS AT 31.03.2016	AS AT 31.03.2015

**NOTE : 6. OTHER CURRENT ASSETS**

Preliminary Expenses	40,926.00	54,568.00
Less : Written Off	13,642.00	13,642.00
	<b>27,284.00</b>	<b>40,926.00</b>
<b>Total</b>	<b>27,284.00</b>	<b>40,926.00</b>

**CONTINGENT LIABILITIES**

- Claims against the company not acknowledged as debts are Nil
- Guarantees - Nil
- There is no other money for which the company is contingently liable

**COMMITMENTS**

- Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil
- Uncalled Liability on shares and other investments partly paid is Nil
- There are no other commitments

**OTHER EXPLANATIONS**

The amount of dividend to be distributed to equity shareholders is Nil and to Preference shareholders is Nil  
The dividend per share holder is Nil and of preference shareholder is also Nil  
Arrear of fixed cumulative dividend on preference shares is Nil  
There is no security which was issued for any specific purpose  
There is no such asset which does not has a value on realisation in the ordinary course of business.

**NOTE : 7. OTHER EXPENSES**

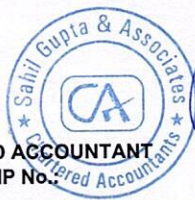
Audit Fees	20,000.00	20,000.00
Professional Charges	15,340.00	15,340.00
Preliminary Expenses W/off	13,642.00	13,642.00
	<b>48,982.00</b>	<b>48,982.00</b>
<b>Total</b>	<b>48,982.00</b>	<b>48,982.00</b>

**NOTE : 8. EARNINGS PER SHARE**

i) Net Profit after Tax as per statement of Profit & Loss attributable to Equity Share Holders	( ` )	-48,982.00	-48,982.00
ii) Weighted Average number of Equity Shares used as Denominator for calculating EPS		0	0
iii) Basic and diluted Earnings per Share	( ` )	0	0
iv) Face value per Equity Share	( ` )	10.00	10.00

M/s

CHARTERED ACCOUNTANT  
MEMBERSHIP No.  
FRN NO:



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MANAGING DIRECTOR  
DIN: 08383300

JAGMOHAN SHARMA  
DIRECTOR CUM CHAIRMAN  
DIN: 09469181